# Daily Report

# Central Eurasia

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Central Eurasia

*FBIS-SOV-95-158* *16 August 1995*

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## Constitutional Court Hearings

### Publication of Dissenting Views Questioned

*MM1508131695 Moscow IZVESTIYA in Russian 12 Aug 95 p 2*

[Report by Yuriy Feofanov: "Why Constitutional Judges' Dissenting Opinions Are Necessary"]

[FBIS Translated Text] The Constitutional Court's ruling on the "Chechnya case" and its judges' dissenting opinions were published yesterday. These documents have been known for a long time, they have been commented on, and it remains to adopt the ruling itself as a guide to action. And the dissenting opinions.... What can be done with them? Why exactly have they been publicized? What is the point of publishing them? The judges can argue all they like behind closed doors but they should go "to the people" with an unequivocal verdict, not a record of their disagreements. Because we are still talking about the presidential edicts with which the war began.

Such opinions exist and one can scarcely fail to notice them.

The first and main justification for the publication of dissenting opinions is that it is so decreed by the law on the Constitutional Court. In its turn, it is based on democratic norms of law and morals. When the law was being discussed, opposing opinions were expressed. But "democracy" prevailed. Moreover, world practice, albeit extremely contradictory, nonetheless said "for." In the United States, for example, Supreme Court justices' dissenting opinions are publicized in both official and learned publications. It is curious that over there the court's verdict, even when reached by a majority, goes under one "author's" name, in other words the text of the ruling by any one of the nine justices can be taken as a basis and enters the annals of jurisprudence under his name. In Germany dissenting opinions are permitted, they are appended to the ruling; Hungary has approximately the same procedure; and in Spain only the verdict itself is publicized.

So things are done differently everywhere. Yet what is the point? I understand the dissenting opinion of a judge in our people's court, for example. Our people's assessors exercise their right to an independent opinion extremely rarely. But if they do express an opinion which differs from others it must be assessed by a higher court. That is why the sentence of a people's court was far from final and that is why a dissenting opinion had a great purpose. Jury courts pass a verdict according to various rules: Sometimes it must be unanimous, sometimes a majority verdict is accepted. I think that the first, that is to say unanimously, is more appropriate to the purpose of justice and the weight of the verdict. Otherwise what is the point of the postulate of the secrecy of the deliberating room? Argue all you like but emerge with a single decision.

The remarkable U.S. movie "Twelve Angry Men" was once shown in this country. It consists entirely of a jury's deliberations. One of the twelve doubted the fairness of the guilty verdict, and after lengthy arguments his opinion prevailed. Only because the jurors were obliged to emerge with an absolute decision. Because the jury's verdict is final unless they have contravened rules of procedure. Essentially it is final.

Just as the Constitutional Court ruling is final and unappealable. That is why a judge's dissenting opinion for a specific case loses practical purpose. Yes, the general democratic principle of glasnost remains. But I think that in our current troubled times what is more important is the weight of the highest court's ruling and its unappealability, if you like. At any rate it would be worth returning to the norms of law on the Constitutional Court which prescribe the compulsory publication of dissenting opinions. Right now it is more important to pacify the discord than to stir it up even on an exclusively democratic basis.

## Negotiations in Groznyy

### Chechens Claim Non-Receipt of Government Statement

*LD1508134295 Moscow ITAR-TASS World Service in Russian 1312 GMT 15 Aug 95*

[By Sharip Asuyev]

[FBIS Translated Text] Groznyy, 15 Aug (ITAR-TASS) — The Chechen side has not received the text of the Russian Government's appeal of 14 August through official channels and, therefore, cannot respond to the document, Khozakhmed Yarikhanov, head of the Dudayev delegation at the Groznyy talks, told ITAR-TASS today.

He expressed his astonishment with the stance of Moscow which is expecting a reply from the Chechen side. He stressed that "we are familiar with the Russian leadership's ultimatum only from media reports but we have not received any official document." Yarikhanov said that the Chechen side's reaction to the appeal, which it has failed to receive, could only be "a confirmation of the unchangeability of its position regarding its readiness to adhere to the letter and the spirit of the 30 July agreement and all the subsequent mutual agreements."

Khozakhmed Yarikhanov said that he had already talked on the telephone with Vyacheslav Mikhaylov, head of

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the Russian Government delegation, in Moscow and briefed him on this account.

### Government Refutes Charge

*LD1608111295 Moscow INTERFAX in English 0925 GMT 16 Aug 95*

[FBIS Transcribed Text] GROZNYY, Aug 16 (INTERFAX) — A top-ranking representative of the Russian delegation at the negotiations in Groznyy refuted assertions of the Chechen party stating that it has not received the text of the Russian government's official statement of August 14.

In a Wednesday interview with INTERFAX chairman of the working group of the Russian delegation Vladimir Zorin, first deputy head of the territorial department of the federal power bodies in Chechnya, reported that he handed over the text of the statement to leader of the OSCE mission in Chechnya at 13:30 Tuesday [15 August] for further transfer to the Chechen delegation.

In its statement the Russian government warned that it would not allow the continuation of unpunished actions on the part of illegal armed formations and is ready to take all the necessary measures for this purpose. The statement also points out that continuing the talks is possible only under the provision that "the Dudayev side" undertakes real and immediate moves to fulfill all items of the agreement on the package of military issues.

### Chechnya Accuses Russia of Denouncing Peace Accord

*LD1508181695 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

[FBIS Transcribed Text] GROZNYY, Aug 15 (INTERFAX) — The Chechen delegation to Groznyy peace talks circulated a statement Tuesday in response to the statement of the Russian governmental delegation of August 13.

In the opinion of the Chechen delegation, "the demarche of the Russian governmental delegation cannot be described other than an attempt to denounce the agreement, break peace settlement and lay the responsibility on the Chechen side."

At the same time, the Chechen side "despite all the accusations in its address, voices its firm intention to abide by the letter and the spirit of the agreement of July 30, 1995, and further mutual obligations to be taken by the sides. It expects the Russian side to do the same."

Head of the Chechen delegation Khozh-Akhmed Yarikhanov noted: "We consider it inadmissible to build settlement negotiations on blackmail and military threats."

As has been reported, the governmental delegation to the Groznyy talks and the Russian government (on Monday) warned that further settlement talks are possible on the condition of "real and immediate" Chechen steps to fulfill all aspects of the agreement of July 30. Chechen armed units continue combat operations, they are not being disarmed, and the Chechen side has not submitted full lists of Russian prisoners of war.

### Kulikov Advocates Ultimatum To Chechen Rebels

*MM1508121395 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 1*

[Unattributed report: "Quotations"]

[FBIS Translated Text] Russian Internal Affairs Minister Anatoliy Kulikov: "Unlike most members of the Chechen delegation, Dudayev is ready to wage an armed struggle down to the last Chechen for the sake of his own personal ambition, since Dudayev himself is a political corpse. If common sense prevails over Dudayev's ambitions, there will still be hope of an end to the war. If not, we will have to carry out the agreements by force. We will ask the rayon prefects to compel guerrillas in population centers to lay down their weapons within two hours, otherwise we will annihilate them."

### Ilyukhin Urges State of Emergency in Chechnya

*LD1508165795 Moscow ITAR-TASS in English 1231 GMT 15 Aug 95*

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 15 (ITAR-TASS) — Chairman of the Duma Committee for National Security Viktor Ilyukhin voiced an opinion that the time has come to introduce a state of emergency in Chechnya. "In my opinion, unless the state of emergency is introduced, it is impossible to disentangle the Chechen knot. It is not ruled out that Dudayev's formations will again have to be disarmed by force," Ilyukhin told TASS today.

He pointed out that if Dudayev's supporters did not meet the justified demands of the Russian government, all mechanisms of influence should be activated.

"Military operations are likely to be resumed in Chechnya on the same scale as before," said Stanislav Govorukhin, chairman of a parliamentary commission investigating the causes of the Chechen crisis. "If this happens, we should be prepared for another tragedy similar to Budennovsk," he said. "Special task units should be

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created now ready to rebuff Dudayev's supporters' attempts to seize strategically important facilities, including nuclear power stations," Govorukhin said.

**Yeltsin Planning Firmer Course of Action in Chechnya**

*MK1608090095 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 3*

[Report by Georgiy Bovt: "The 'Post-Budennovsk Period' Is Coming to a Close"]

[FBIS Translated Text] Yesterday Boris Yeltsin rejected the law "On Temporary Measures on a Political Settlement of the Crisis in the Chechen Republic," adopted by the State Duma on 12 July. Explaining his decision in a letter to Ivan Rybkin, the president points out in particular that some provisions of the law contradict the Russian Constitution.

In Yeltsin's opinion, the very concept of a law whereby the Federal Assembly "in effect trespasses on the constitutional powers of the president and federal executive power bodies" is illegitimate. The president notes that the reference to Articles 80 and 114 of the Constitution in the preamble to the law means that parliament is appropriating presidential and governmental powers as established by the Fundamental Law, and violates the principle of the division of powers enshrined in the Constitution. The letter also says that the provision of the law ordering Russian army units to be withdrawn from Chechnya, with the exception of units that are to be permanently stationed in the republic, runs counter to a number of articles of the Constitution and the laws "On Defense" and "On Security," because these matters are within the jurisdiction of the president in his capacity as supreme commander. It needs to be recognized that for many Duma members the presidential veto has come as a total surprise: This version, unlike the previous one, was already coordinated with representatives of the executive branch. It can be assumed that the veto is partly due to some new considerations by the executive branch itself (which resulted from the negotiating process in Groznyy, on which so many hopes were pinned in the past, gradually entering a stage of slow agony).

Bellicose cries are being more and more often heard from both opposing camps (although the digit "2" with respect to the number of rival sides will soon become inaccurate). Having recovered after a knockdown, the pro-Dudayev so-called "parliament of Chechnya," whose chairman Akhyad Idigov is a member of the Chechen delegation at the negotiations, accused the Russians side of "seeking to scuttle the negotiations" and resuming "the ungovernable process of military actions." The "parliament's" statement abounds in expressions like "decisive protest" in connection with the alleged "deviation by Russia from the signed agreement on the block of military issues." There is also a complaint that "the movement and relocation of troops is proceeding without joint oversight on the part of a special observer commission, as was earlier agreed." For his part Lieutenant General Anatoliy Romanov, commander of the Joint Federal Force Contingent in Chechnya, in effect presented the Chechen side with an ultimatum: Before 1600 (Moscow time) yesterday it was supposed to have given a final answer as to whether it will sign the plan for the implementation of the agreements on the set of military issues which a federal government delegation handed to it on 13 August in Groznyy (as of the moment this item went to press there was no news of the Dudayevites' response). A response was awaited from Aslan Maskhadov, chief of staff of the Chechen armed formations. Romanov himself ordered local commanders to establish contacts with Chechen field commanders, the population, and the chieftains in order to ensure the implementation of the military agreements. According to him, the population in some villages "expressed their readiness to hand in their weapons." There is every reason for questioning the latter: Hardly any Chechen in his right mind will surrender an automatic rifle if he has one. They did not do that even in Soviet times. Therefore there are no visible prospects for disarming the Dudayevites. It is strange that Moscow did not anticipate that before. Neither has the Chechen side presented a full list of prisoners of war. Its negotiators in Groznyy cite the figure of seven to eight men who are to be exchanged for "all Chechen prisoners." But according to sources in the Russian federal forces, there are at least 80 captured federal troops. Finally, there have been increasing reports coming in from Chechnya confirming forecasts by the skeptics: Nothing could be further from the Dudayevites' mind than peace as they use the negotiations to regroup and reconstitute their forces. At night exchanges of fire continue.

To all appearances, under these conditions Boris Yeltsin decided that it is time to take the initiative into his own hands again. Yesterday he held a conference in the Kremlin with the premier, who is (or was?) in charge of the negotiations, and members of the Russian delegation in Groznyy: Nationalities Minister Vyacheslav Mikhaylov, Internal Affairs Minister Anatoliy Kulikov, and the head of the federal territorial administration in Chechnya, Nikolay Semenov. The conference had a tinge of an emergency meeting: News agencies cited an anonymous Kremlin source as saying that the need for the conference had emerged in connection with the "worsening situation in Chechnya over the past several days." The source also told INTERFAX that one possi-

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ble result of the meeting will be the official appointment of Security Council Secretary Oleg Lobov as the president's official representative in Chechnya. If this happens, the short-lived "post-Budennovsk" period, when the premier was given the "steering wheel" in Chechnya, will come to an end.

**Fedorov Critical of Chechen Policy, Draft Budget**

*LD1508164795 Moscow INTERFAX in English 1205 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 15 (INTERFAX) — Boris Fedorov, former Russian finance minister, MP and leader of the Forward Russia movement has sharply criticized the Russian authorities' actions for settling the Chechen crisis.

"I don't believe in peace settlement, as the situation in Chechnya is becoming more and more bizarre. Everyone talks about peace but people are getting killed every day," Fedorov told a press conference in Moscow today. He said he believed there were no reasons at present to hope that the conflict would be resolved peacefully. "We are witnessing the authorities' agony and inaction," he said.

Fedorov said he believed that the present authorities "should work instead of holding congresses and leave if they fail to handle the situation."

Fedorov said the executive power could not resolve the Chechen problem alone. He said he believed that a nationwide referendum must be held on the situation in Chechnya and its possibly leaving Russia.

With regards to another acute problem, the 1996 federal budget, Fedorov told an INTERFAX correspondent at the press conference that he considered the draft 1996 federal budget as "having nothing to do with life." Fedorov said the 1996 budget could not be taken seriously because it was just the 1995 budget recalculated, taking into account the inflation index. "There is nothing essentially new there," he said. Fedorov said he believed that "we will not really learn (what is) the budget until the end of this year. What we have now has been done just for presenting a report."

**Dudayev Actions Seen As Death Throes of Regime**

*LD1508140395 Moscow INTERFAX in English 1205 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 15 (INTERFAX) — Deputy head of the Russian delegation to Groznyy peace talks Arkadiy Volskiy thinks that the "recent actions of Dzhokhar Dudayev are rather the agony of his regime than a wise policy."

"The overwhelming majority of people in Russia and Chechnya and many field commanders of illegal armed units are prone to favor peaceful settlement at negotiations instead of a battlefield," Volskiy told an exclusive INTERFAX interview Tuesday.

The nomination as soon as possible of the Russian President's representative in Chechnya is an immediate measure for stabilization, and Secretary of the Russian Security Council Oleg Lobov is a possible candidate to that post, said Volskiy.

Volskiy, who is being cured of an ulcer, said his physicians think he will be able to start working in approximately 10 days' time.

**Talks To Resume When Chechens Abide by Agreement**

*LD1508191895 Moscow ITAR-TASS in English 1854 GMT 15 Aug 95*

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 15 (ITAR-TASS) — The Russian delegation to the Groznyy peace talks and the command of federal troops in Chechnya want dialogue to continue, Vladimir Zorin, first deputy head of the territorial federal executive administration in Chechnya, said in his appearance on Groznyy's television late on Tuesday.

However, Zorin said, the Russian side will resume the talks only after Chechens make real steps to implement the July 30 military agreement.

This decision has been prompted by the fact that the Dudayev regime is radically revisiting major provisions of the agreement, primarily disarmament clauses, Zorin said.

He expressed hope that reason would win among Dudayev's partisans, and Russia would not have to disarm Chechen rebels by force.

Zorin said civilians must not be forced into the task of ousting rebel fighters from Chechen villages.

"We have settled at the negotiating table and are in difficult dialogue only to provide that there are no more such facts," Zorin said.

**Chechens Request 2-Day Suspension of Talks**

*LD1608072795 Moscow 2x2 Television in Russian 0600 GMT 16 Aug 95*

[FBIS Translated Text] The talks on settling the Chechen conflict in Groznyy have been suspended for two days at the request of the Chechen side. Mutual

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accusations by the sides of failing to observe the agreement on military issues have served as the reason for this. Russian President Boris Yeltsin did not exclude the use of military force if the separatists refuse to disarm, although the commander of the federal forces in Chechnya Anatoliy Romanov at a press conference in Groznyy has excluded such a possibility. For its part, the Chechen delegation has expressed the firm intention of adhering to the spirit and letter of the military agreement.

**Chechen Delegation Returns Unexpectedly to Groznyy**

*LD1608092695 Moscow ITAR-TASS in English 0902 GMT 16 Aug 95*

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 16 (ITAR-TASS) — The Chechen delegation at peace talks returned to Groznyy on Wednesday. Their arrival at 11 a.m. [0700 GMT] today was rather unexpected, since chief Chechen negotiator Khozakhmed Yarikhanov said on Tuesday [15 August] that his team would spend "a couple of days" in the mountains holding consultations with Dzhokhar Dudayev.

It is not known whether consultations with Dudayev were cancelled or whether Yarikhanov met Dudayev overnight. Speaking to ITAR-TASS near the building of the OSCE mission hosting the talks, Yarikhanov refused to comment, he only said that he "arrived to continue talks".

Yarikhanov said that he was planning for today to contact by telephone Russian Prime Minister Viktor Chernomyrdin and chief Russian negotiator Vyacheslav Mikhaylov, who is now in Moscow.

"I hope that the negotiating process will continue, in spite of all obstacles. The Chechen side is ready to work," Yarikhanov said.

**Chechens Urge Khadziyev's Removal From Negotiations**

*LD1508193795 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 15 Aug 95*

[By Groznyy correspondent Vladimir Varfolomeyev]

[FBIS Translated Text] The Chechen delegation is demanding that Salambek Khadzhiyev's government should be removed from deciding any questions, including purely technical ones, connected with the negotiating process. Echo Moskvy has learned that for the third day running Salambek Khadzhiyev has been refusing to sign a document which envisages the allocation of special accommodation in Groznyy for the Dudayevite delegation where the delegation members could lodge for the night and not drive to the mountains. According to Movlem Salamov, an aide of Chechnya's president, the document in question was agreed both with the commander of the federal troops and with the territorial directorate of the federal bodies of executive authority in Chechnya. This document did not meet with anyone's objections. However, Salambek Khadzhiyev, for unknown reasons, has been refusing to sign it.

Moreover, as Ekho Moskvy was told by representatives of the Chechen delegation, in recent days it has been observed that the situation in Groznyy is being whipped up. Additional military units are being brought up to the town. According to the Chechen representatives' data, this is connected with requests made precisely by Salambek Khadzhiyev to the Russian leadership and with his statement to the effect that for 15 August, that is to say, for today, Dudayev has been planning some actions in the town.

Taking into account all these circumstances, the Chechen delegation requests that Salambek Khadzhiyev be removed from deciding any questions which are connected with the negotiations.

**First Practical Steps Taken Toward Settlement**

*LD1608091895 Moscow ITAR-TASS in English 0738 GMT 16 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 16 (ITAR-TASS) — A series of dynamic working consultations on disarmament conducted by the command of the federal forces and the Chechen leaders over the past two days in Groznyy has led up to the first practical steps in implementing the agreement on military questions signed on July 30.

In accordance with an unwritten agreement between federal troops commander Anatoliy Romanov and Dudayev's Chief-of-Staff Aslan Maskhadov on Tuesday, the two military delegations are due to begin practical disarmament of some Chechen forces today. Judging by all appearances, the process will begin in one of the residential centres of the Nozhay-Yurt district 60 kilometres southeast of Grozny.

Aslan Maskhadov has been in the district since Tuesday and Anatoly Romanov left Groznyy for Nozhay-Yurt by helicopter on Wednesday morning.

If the disarmament process gains momentum, further groups of militants will be disarmed in the Gudermes, Vedeno and Shali districts where, according to Maskhadov, the field commanders are ready to begin turning in the weapons without delay.

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While the military are tackling practical problems of disarmament, politicians on both sides are engaged in circumstantial consultations with their leadership. The Russian government delegation members with Vyacheslav Mikhailov at the head has been in Moscow since August 14. The Chechen delegation left Groznyy on Tuesday for a meeting with Dzhokhar Dudayev in southern Chechnya. It intends to spend at least two days in conference with the Chechen leader.

Talks in Groznyy are likely to resume only when and if the federal command mission aiming to initiate the process of actual disarmament of the Dudayev forces succeeds.

Leader of the Russian expert group Vladimir Zorin appeared on Groznyy television late on Tuesday to announce that talks would continue as soon as the Chechen side takes first real steps towards implementation of the agreement on military questions.

**Romanov, Chechnya's Maskhadov Comment on Talks**

*LD1508163395 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 15 Aug 95*

[From the "Vesti" newscast]

[FBIS Translated Text] We have just received a report from our special correspondent in Groznyy on today's working meeting between Aslan Maskhadov and Anatoliy Romanov.

[Correspondent Nikolay Ivanov] [video shows crowds around the OSCE mission in Groznyy] Although yesterday Maskhadov did not sign the specific plan for disarmament put forward by the Russian side earlier, after today's meeting he said that he was ready to start implementing the agreement on the military bloc of issues in Chechnya's four districts.

[Begin Maskhadov recording, chief of the main staff of Dudayev's formations] If everything is done following the letter of the agreement, I will implement this agreement and will be a guarantor of this agreement. I will be able to persuade anybody, any home guard member or commander to do so. If we want to bring peace to the people, we are ready for this. But if, while implementing this agreement, we start solving the third issue, that of power, of who will sit in this chair, then things will become difficult. [end recording]

[Begin Romanov recording, commander of the joint group of federal troops in Chechnya] We clarified our attitude to this issue to all the members of the delegations. The essence of this clarification is that the delegations had to take definite decisions on the issue of power, which would make it possible to remove all the contradictions. [end recording]

[Ivanov] The Russian command's stand on the problem of disarmament remains unchanged: The surrender of weapons should be started in populated areas immediately in cooperation with the elders and field commanders. Many Chechen field commanders are trying to get in touch with the command of federal troops on their own and offering to surrender weapons voluntarily. The following decision by the Russian command says a lot about the Russian military's firm stand on the issue of disarmament: The military hardware, including tanks and armored personnel carriers, which the Chechen fighters still have will be destroyed from the air if they cannot be destroyed on the ground. The military are to take individual decisions regarding the use of air force in each specific case. What practical forms will this decision take when the implementation of the military agreement gets under way in earnest? How to prevent the use of force while weapons are being surrendered? An answer to these questions depends on today's, sometimes different interpretations by the Russian and Chechen military of the agreement on the military bloc of problems signed over a fortnight ago.

**Dudayev Supporters Prepare To Disarm in Nozhay-Yurt**

*LD1508181895 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

[FBIS Transcribed Text] GROZNYY, Aug 15 (INTERFAX) — Dudayev supporters are prepared to start disarming in the Nozhay-Yurt district on August 16, members of the Chechen negotiating team said at a news conference in the OSCE [Organization for Security and Cooperation in Europe] mission office Tuesday.

They said that Aslan Maskhadov, the chief of the separatist headquarters, has left for the Nozhay-Yurt district to supervise the disarmament. The negotiators said that every armed unit other than self-defense ones will be disarmed in compliance with the military agreement.

Dalkhan Khozhayev, a member of the Chechen negotiating team, complained that Russia has issued no orders about implementing the agreement while Yeltsin and Chernomyrdin made ultimatum-like statements. At the same time, he said, "General Dudayev has issued appropriate orders."

The team members said that they are concerned over Russia increasing its military presence in Chechnya.

They also accused Russia of obstructing the Chechen observer commission. In particular, a Russian check-

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point did not let two commission members, Kazbek Makhashev, interior minister in the Dudayev government, and Shirvani Basayev, a field commander, a brother of Shamil Basayev, into Groznyy.

Khozh-Akhmed Yarikhanov, the chief Chechen negotiator, said that "if the Chechen people are in desperation, a replay of what had happened in Budyonnovsk cannot be ruled out."

### No Withdrawal Planned Until Dudayev Men Disarm

*LD1608094195 Moscow Radio Rossii Network in Russian 0900 GMT 16 Aug 95*

[FBIS Translated Text] Until Dzhokhar Dudayev's men begin to disarm there will be no withdrawal by the federal troops of the joint group of forces in Chechnya, a RIA-Novosti correspondent has been told by a Russian Defense Ministry's Information and Press Directorate staffer.

He said that a proviso was made during the talks between Anatoliy Romanov, commander of the joint group of forces, and the chief of the main staff of Dudayev's forces, to the effect that the federal troops will only leave Chechen populated areas in an orderly fashion following the disarmament of illegal armed groups.

However, because the situation at the talks has altered, the withdrawal and redeployment of troops has been temporarily suspended, the officer noted.

The Defense Ministry also noted that illegal armed groups are expected to lay down their arms in several Chechen populated areas today.

## Military Operations

### Army Paper on Latest Chechnya Developments

*MM1608094595 Moscow KRASNAYA ZVEZDA in Russian 16 Aug 95 p 1*

[Article by Anatoliy Stasovskiy under general headline: "Federal Government Demands Chechnya Fulfill Signed Agreement"]

[FBIS Translated Text] Events both at the talks in Groznyy and throughout Chechen territory are developing relatively turbulently. Our stringer Lieutenant Colonel Vasiliy Panchenkov reports from Groznyy that at 2230 on 13 August there was a Russian-language radio intercept. This turned out to be a warning from Dudayev to his field commanders that hostilities could resume in the very near future.

Following this, the group of federal troops received a directive which boiled down to ensuring the fulfillment of the agreements reached on military issues. Lieutenant General Anatoliy Romanov stressed that the directive contained no orders to open fire or conduct military operations, since the Russian side does not consider it possible to back off from the peaceful thrust of agreements signed at government level. Nonetheless, the federal force command in Chechnya has adopted additional precautionary measures.

The morning of 14 August brought some hopeful news. In particular, that a disarmament plan had been agreed during a meeting between Anatoliy Romanov and Aslan Maskhadov. But it soon transpired that, for the umpteenth time, the Chechen formations' chief of staff was saying one thing but doing something else.

Meanwhile, in certain population centers field commanders are really prepared to hand over their weapons. Thus, in Nozhay-Yurt the gunmen stated that it is time to put a stop to the provocations and attacks on the federal forces. Four regions of Chechnya are prepared to hand over their weapons to military unit commanders 16 August. The disarmament process, judging by everything, could only be hampered if Dudayev were to launch hostilities. This is a real threat. At any rate at a 13 August rally in Komsomolskoye Village, Dzhokhar Dudayev called on his supporters to be ready for war in two or three days, as a result of which he would again hold full power in his hands.

Incidentally, even Aslan Maskhadov and many field commanders realize that Dudayev has virtually no combat-capable formations left. He is surrounded by a fanatical group of people (many of them with a shady past) who inspire the mini-dictator with confidence of victory through their belligerent swagger. And that is the main danger.

On 14 August, as KRASNAYA ZVEZDA reported yesterday, President Boris Yeltsin held a meeting in the Kremlin with members of the Russian Government delegation at the Groznyy talks. He expressed dissatisfaction with the delay in implementing the provisions of the agreement on military issues and reaffirmed the federal authorities' firm resolve to settle the Chechen issue.

That day, Russian Premier Viktor Chernomyrdin set the following condition for the Chechen side — they had to provide a response about their readiness to carry out the military agreement by 1800 on 14 August. In the event of a negative response he promised the "toughest measures" from the federal authorities. Approximately an hour before the deadline expired Aslan Maskhadov, chief of state of the Chechen formations, refused to sign the disarmament plan.

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Late in the evening of 14 August the Russian Federation Government adopted the statement published above. [Full text of the statement was published in 15 August Central Eurasia Daily Report, p 5]

On 15 August Lt. Col. Vasiliy Panchenkov reported from Groznyy that the position of the federal troops command on the disarmament paragraph remained unchanged. As was envisaged under Paragraph C of the agreement, the work will be carried out in close conjunction with elders and field commanders at local level and with full guarantees of their safety and of the safety of citizens who hand in their weapons voluntarily. The remaining heavy equipment and armaments (tanks, multiple rocket launchers, armored transporters, infantry fighting vehicles, and artillery systems) will be destroyed from the air if it is impossible to blow them up locally or if it proves impossible, as a result of the clear threat to the lives of the servicemen involved, to move troops to the areas where these weapons are concentrated. In each instance an individual decision will be made on the use of air power.

Over the past few days documents (military cards and other ID) belonging to around 100 Russian servicemen have been removed from a cellar at a destroyed boarding school building in Vedeno. On 11 August the documents were shipped to Groznyy and handed over to the working group organizing and monitoring the release of forcibly detained persons and carrying out searches for those missing in action. The documents themselves are held by Chechen representatives; the Russian side has been given a list of the names of 15 officers, one warrant officer, and more than 70 NCO's and men. Incidentally, the group set up by the special oversight commission just a week ago has already achieved the release of four Russian Federation MVD [Ministry of Internal Affairs] Internal Forces servicemen. These are Major O. Dedechkayev, Junior Sergeant V. Chugunov, and Privates A. Sannikov and A. Grantskiy. Colonel V. Ivanov, cochairman of the working group, has reported that around 90 servicemen are still being held by the Dudayevites. More than 200 officers and men are missing in action.

**Chechen Negotiator Says Russians Shelling Villages**

*LD1508134995 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 15 Aug 95*

[FBIS Translated Text] This morning there came a report from our correspondent in Groznyy that in the past few days despite the moratorium, Russia continues to shell Chechen villages. He was told this by head of the Chechen delegation Khozakhmed Yarikhanov. Yarikhanov said they had been shelled over 100 times. He also said that the Chechen side was not satisfied with the list of POW's who are in screening camps. Yarikhanov said the difference between the figures which the Chechens have amounts to 1,368 people.

**Security Service Says Fred Cuny 'Still Alive'**

*LD1508124695 Moscow INTERFAX in English 1226 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 15 (INTERFAX) — Russia's Federal Security Service (FSB) believes that Fred Cuny, an American and Soros Foundation official who went missing in Chechnya this spring, is still alive, a senior FSB official told INTERFAX Tuesday. The FSB does not rule out that the American has joined Chechen separatist leader Dzhokhar Dudayev's entourage.

According to the FSB, it is most likely that Cuny belongs to the U.S. security services and is carrying out appropriate functions in Chechnya.

Cuny disappeared during a Foundation-sponsored tour of a rebel-held area. Later, pro-Dudayev supporters reported that he was killed by Russian troops, a theory that has not yet been confirmed.

## Effects on Chechen Community

**Prosecutor: Chapanov Family Murderers Identified**

*MK1508134895 Moscow SEGODNYA in Russian 15 Aug 95 p 2*

[Report by Maria Eysmont: "The Chechnya Prosecutor Has Announced That the Killers of the Chapanov Family Have Been Found. The Executioner of a Verkhotoy Villager Has Been Taken Into Custody"]

[FBIS Translated Text] A few days ago the General Prosecutor's Office of the Chechen Republic issued a statement saying that it has established the culprits in the Chapanov family case that produced so much noise a month ago.

On 7 July in the village of Prigorodnoye, a group of unidentified assailants murdered a Chechen family of seven, including four children and a 70-year old man. The spontaneous rally started by local residents in connection with this killing led to a multi-thousand strong march on to Groznyy and nearly thwarted the peace negotiations. At that time Chechen delegation members said further negotiations were impossible until those guilty were found and punished in public, while the Russian representatives promised to track down the killers within two days. The Chechen delegation was apparently calmed by this statement from their Russian colleagues. Agreeing that it was a clearcut provocation aimed at scuttling the peace process, the sides decided

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not to play into the killers' hands and went back to the negotiating table.

Nobody actually hoped that the names of the criminals would be made known to the public, and because the republic's citizens calmed down and representatives of the Chechen side no longer made ultimatums at the negotiations, the case was simply forgotten.

The unexpected statement by Sulumbek Asayev, deputy [general] prosecutor of the Chechen Republic, reminded the Chechen citizens of the brutal murder of a month ago. In an interview with the local newspaper GROZNENSKIY RABOCHIY Asayev said that the Chapanov family was executed by Russian servicemen and that the prosecution knows the names of the actual killers. The deputy prosecutor attributed such openness on the part of the investigators to the obvious opposition of the military, who in the process of the investigation did not allow prosecutors on the premises of military units and ignored summonses to the Prosecutor's Office to give testimony.

Many observers believe that the public statement by the Chechen Prosecutor's Office on the Chapanov family case could lead to a fresh uproar among the local population, and new disturbances.

Yesterday the name of yet another killer became known. An investigation into the 4 August killing of a Verkhotoy village resident, Musa Taniyev, 22, established that he was shot on the grounds of a Russian [military] unit on the orders of Lieutenant Vladimir Zhigolenko. The latter is already in custody.

### No Proof of Troops Murdering 7 Civilians in Groznyy

*LD1608112395 Moscow INTERFAX in English 0925 GMT 16 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 16 (INTERFAX) — The Russian chief military prosecutor's office has no evidence confirming the suspicion that the murder of seven residents of state-run farm No. 3 in Groznyy's Staropromyslovskiy district early last month was committed by Russian troops, sources in the military prosecutor's office has said.

Several days ago, the Chechen prosecutor's office turned the case over to the military prosecutor's office of the Groznyy garrison for investigation after a witness said that the murderers were speaking in Russian. Chechen investigators argue that this is evidence that Russian servicemen could be responsible.

Military prosecutors believe that it is not enough proof to accuse the military and hand the case over to the military prosecutor's office. The case will be returned to the Chechen prosecutor's office for investigation.

The military prosecutor's office says that the victims were shot with firearms not used by the Russian forces in Chechnya.

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**ITAR-TASS Carries Press Review for 16 Aug**

*LD1608101895 Moscow ITAR-TASS in English 0447 GMT 16 Aug*

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 16 (Itar-Tass) — The majority of today's newspapers highlight a statement made by the Russian government which said that Dudayev's supporters had revised the military agreement on the peace settlement in Chechnya signed on July 30. The newspapers quote the Russian President as saying that "if there is no response to the Russian government's statement or if their reply does not satisfy us we shall take prompt and energetic measures, including military ones." ROSSIYSKAYA GAZETA carries two articles devoted to the problem: "Ready to take urgent measures" and "The militants seem to surrender weapons" published in a column "The Chechen knot."

A full text of the Russian government's statement is published in the "RED STAR" [KRASNAYA ZVEZDA] daily which writes in the foreword that "the Federal government demands that Chechnya fulfill the signed agreement." In another article the newspaper describes the assistance rendered to the Chechen population by Russian soldiers and officers staying in Chechnya. "Thanks to their efforts the people in the Chechen highlands and lower regions become increasingly aware of the fact that the Federal troops have not been fighting against them, but have been cleaning the grief-stricken land from criminal elements who seized power in the republic."

"TRUD" carries an interview with the head of the Russian delegation to the talks in Chechnya Vyacheslav Mikhaylov. In his opinion, Dudayev's conduct in the recent period of the talks shows that "Dudayev has been losing the ground from under his feet," while the majority of Chechnya has been under the control of the Government of National Revival led by Khadzhiyev.

KOMSOMOLSKAYA PRAVDA carries an article by the famous Russian producer of documentary films Stanislav Govorukhin who describes the war in Chechnya and writes about Russian border guards in Tajikistan. "The war in Chechnya has reached the limit of cynicism and common sense," Govorukhin said.

ROSSIYSKAYA GAZETA in a new column entitled "An hour with a governor" published an interview with the chairman of the Union of Russia's governors and head of the administration of the Moscow region Anatoliy Tyuzhlov. " The hierarchy of the executive power might work efficiently on condition of clear-cut division of powers and duties between the Centre and regions," he said. Tyuzhlov, who is the chairman of the regional branch of the "Russia our home" electoral bloc, says that "the hierarchy of power without laws will collapse."

In another article the newspaper carries an interview with the Russian Justice Minister Valentin Kovalev who said that the transfer of some functions of "power" ministries and in particular, the right to conduct an inquest, to his department will relieve the investigators of the Interior Ministry of a huge burden. The same newspaper publishes a thorough report about the activities of a spy working for the German Intelligence Service and former Russian counter-intelligence agent, Vladimir Lavrentyev, who was sentenced to ten years in prison by the military collegium of the Russian Supreme court.

IZVESTIYA writes about a campaign for the registration of electoral blocs, parties and movements contesting for parliamentary elections, which begins on August 19. The newspaper says that although there are about 262 parties in Russia, "the majority of them are dead souls" since they "have disappeared from public view, leaving only their registration umbers to remind of their existence." The newspaper comments on an investigation into the "most conspicuous crime in the banking sphere when 36 billion roubles were smuggled into Moscow from Chechnya hidden in potato sacks.

PRAVDA publishes a dialogue between the ex-Soviet president Mikhail Gorbachev and political expert Boris Slavin, in which Gorbachev attempted to justify his activities when he was in power. Gorbachev said that the time had proved the failure of policies pursued by the new leaders who departed from "perestroika" which envisaged a democratic renewal of the former Soviet Union.

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**Yeltsin, Kohl Discuss Bosnian Situation by Phone**

*LD1608085595 Moscow ITAR-TASS in English 0824 GMT 16 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 16 (Itar-Tass) — Russian President Boris Yeltsin had a telephone conversation with German Chancellor Helmut Kohl on a wide range of international problems, the presidential press service told Itar-Tass.

The press service gave no details of the conversation.

An informed source in the presidential administration told Tass that the telephone talk between Yeltsin and Kohl had been focused at the Bosnian settlement.

"It is most evident, that the main issue of the discussion were ways of boosting the process of peaceful settlement in the former Yugoslavia", the official said, adding that the current unprecedentedly intensive telephone contacts between the Russian and German leaders signal "the practical formation of a link Moscow-Bonn within the framework of the international contact group on the Bosnian settlement".

**Spokesman Rules Out Use of Force in Former Yugoslavia**

*LD1508132995 Moscow ITAR-TASS World Service in Russian 1222 GMT 15 Aug 95*

[By ITAR-TASS diplomatic correspondent Andrey Urban]

[FBIS Translated Text] Moscow, 15 Aug (ITAR-TASS) — Russia considers any scenario for solving the crisis on the territory of the former Yugoslavia which involves military force to be unacceptable . This is what Russian Foreign Ministry official spokesman Mikhail Demurin told the ITAR-TASS correspondent here.

According to him, the possibility of activating the multinational forces under NATO leadership in the former Yugoslavia which is currently being studied in the United States "will be rejected by the UN Security Council". "The main keepers of the peace in the conflict on the territory of the former Yugoslavia are," the diplomat stressed, "in the first place, the leaders of the peoples who inhabit the region and the main peacekeeper from outside the region is the international community." All efforts need to be concentrated now to find the impulses to finding a political settlement in the Balkans.

Asked about the initiatives put forward by Bill Clinton on finding a settlement for the former Yugoslavia and how they looked from the point of view of the Russian Federation's proposals, Mikhail Demurin said that the views of Russia and the United States did not agree on everything. Moscow welcomes Washington's willingness to play a more active part in the joint work of the "Contact Group" to work out a political solution. The Foreign Ministry spokesman pointed out that the elements now proposed by Bill Clinton — a cease-fire, a troop withdrawal, and the recognition of one another by the states that have emerged on the territory of the former Yugoslavia — are already present in the platform worked out by the "Contact Group".

Ideas for peace will be pooled at the coming session of the Contact Group's political directors and will be molded into a single platform for the foreign ministers' meeting, the diplomat said.

"We consider it important," he said, "that the Americans supported the proposal to hold a summit conference, with the world powers participating along with the leaders of Serbia, Croatia, and Bosnia."

Moscow considers it quite important on the eve of the Contact Group sitting to study the reaction of the sides involved in the conflict to the proposals being put forward. It is extremely important that the world community gives an additional political boost to a settlement by reacting adequately to Belgrade's constructive stand, Mikhail Demurin said. "Belgrade can and wants to play an active and positive role in finding a settlement and needs assistance in this. Russia considers this an absolute condition and one which will make a political settlement more likely."

**Ministry Sends Serb Refugees Humanitarian Aid**

*LD1608081095 Moscow ITAR-TASS World Service in Russian 0642 GMT 16 Aug 95*

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 16 Aug (ITAR-TASS) — A convoy of vehicles belonging to the Russian Ministry for Civil Defense, Emergencies, and Natural Disasters and carrying 150 tons of humanitarian supplies for the refugees from the Serb Krajina set off this morning from Noginsk in Moscow region, heading for Belgrade. The 49-vehicle convoy will follow a route taking it from Moscow through Bryansk, Kiev, Lvov, and Szeged (Hungary) to Belgrade. The ITAR-TASS correspondent learned this today from the ministry's press service.

The refugees will receive 60 tons of food (canned fish, dairy products, sugar), as well as blankets, clothing, bedding, and other basic necessities.

The first 90 tons of food and medicines for the refugees were urgently delivered by three cargo planes belonging to the ministry last Saturday [12 August]. Russian

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humanitarian aid is being distributed in Yugoslavia by the representatives of the International Red Cross and the United Nations.

Later, after it is agreed with the United Nations, the Russian ministry plans to carry out the third stage of the delivery of aid for the refugees from Serb Krajina, this time by rail.

### Demurin: Aid Will Alleviate 'Crisis'

*LD1508170495 Moscow ITAR-TASS in English 1554 GMT 15 Aug 95*

[By Andrey Urban]

[FBIS Transcribed Text] MOSCOW, August 15 (Itar-Tass) — Moscow thinks that extensive humanitarian aid to refugees from Serb Krajina will alleviate the crisis in the former Yugoslavia, Russian Foreign Ministry spokesman Mikhail Demurin told Itar-Tass today.

In initiative of President Boris Yeltsin, the Russian Ministry for Emergency Situations last Saturday sent to Belgrade three planes with 90 tonnes of food and drugs for the refugees.

Some 150 tonnes of aid is being prepared for sending to Belgrade with a convoy of 49 KamAZ trucks that will leave Moscow on August 16.

Still more aid will be transported from Russia by rail.

"I would like to stress that only humanitarian aid to the refugees, not any exports, is in question," Demurin said.

### Daily Views Balkan Policies of Moscow, Washington

*MK1508142095 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 4*

[Commentary by Aleksandr Botov: "Situation in Ex-Yugoslavia. Shuttle Diplomacy Against the Backdrop of Parliament's Moves"]

[FBIS Translated Text] A week-long lull in Bosnia is over, with the opposing sides having taken up arms again last Sunday. The Bosnian Serbs attacked the enemy in the area of Dubrovnik, pushing toward the Adriatic while the Muslim-Croat confederation's troops launched a broad offensive in central Bosnia. The weekend did not prevent appreciable changes in the diplomatic field: On Saturday, the State Duma passed a package of laws on Russia's unilateral lifting of sanctions against Yugoslavia and on imposing sanctions against Croatia; a day later, an American delegation led by Anthony Lake wound up its tour with talks in Sochi and Ankara, with Richard Holbrooke, an aide to the secretary of state, arriving in Europe the same day to replace the former.

The impression is that the State Duma was ready for this course of events. Once Boris Yeltsin even mentioned that Moscow could unilaterally lift the UN sanctions against the Federal Republic of Yugoslavia, there appeared a corresponding plan initiated by DPR [Democratic Party of Russia] representatives Glazyev and Zatulin and the Agrarians. Unlike the usually cautious statements of the Russian Foreign Ministry and the president's restrained reaction (prompted perhaps by the realization of the failure of both the Milosevic-Tudjman meeting initiative and of the general failure of the present stage of Balkans policy), the acts passed by the lower chamber are rigidly anti-Croat. Proceeding from the "massive human rights violations by Zagreb" and "Croatia's open genocide" against the Serbs, the Russian parliamentarians banned the "conclusion and implementation of any foreign trade deals" with legal entities and individuals who operate or live on the territory of Croatia: export-import operations with the Croatian side with the exception of humanitarian shipments; and the rendering and receiving of any services, as well as investment activities in Croatia. Notably, the law "On Measures of the Russian Federation To Prevent Genocide Against the Serbian People on the Territory of the Republic of Croatia" is supposed to be in operation until the "restoration of the rights of persons who suffered as a result of the Government and Armed Forces of Croatia against the population of the territory of the Serbian Krajina.

The State Duma move provided Moscow with additional possibilities to bring pressure to bear on the UN Security Council. Notably, the Kremlin had a certain freedom of maneuver. Boris Yeltsin may act as Clinton did at the time of another recent move — by the U.S. Congress, which spoke for lifting the embargo on supplies of arms to the Bosnian Serbs — by vetoing the lawmakers' decision. Clearly, both presidents are worried at the formation of an independent line of executive power in the Balkans. And these lines — the American and the Russian — may collide, for which reason the weekend Sochi meeting between U.S. National Security Adviser Anthony Lake and Andrey Kozyrev was far from routine, although its results were predictable: The sides agreed that the Yugoslav conflict should necessarily be resolved by "political methods."

Generally, the question of when the talks between the hostile sides will begin and how effective they will be depends on the harmony of the actions of Moscow and Washington. Admittedly, Washington had two serious problems crop up yesterday: Bosnia-Herzegovina President Alia Izetbegovic, with whom (as with Tudjman) the United States considers the development of relations to be a priority, turned down the initiative contained in the

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American peace plan to exchange the Serbian-controlled environs of Sarajevo for the Muslim enclave of Gorazde. In the words of the leader of the Bosnian Muslims, Sarajevo would prefer to fight another fifteen years than to surrender Gorazde. Spelling additional problems for the United States is yesterday's statement by the head of Greece's Ministry of Foreign Affairs, Karolos Papoulias, who had a meeting with Andrey Kozyrev the other day. The Greek diplomat confirmed: Athens and Moscow agree that it is necessary to lift the sanctions against Belgrade. The statement by Greece, a NATO ally of the United States, will hardly lead to Athens quitting the bloc, but relations inside it will clearly worsen (primarily between Greece and Turkey).

Thus, Washington faces a number of problems, the resolution of which requires that it soon bring to the negotiating table representatives of the warring sides in Bosnia. It is with this objective that a new American delegation, led by Holbrooke, is off to Europe to visit Belgrade, Zagreb, and Sarajevo. And while Russian critics of the Foreign Ministry are complaining that Moscow has lost all, or almost all, levers of influence in the Balkans, Washington is trying to vigorously use its own levers.

### Yeltsin Sends Letter To Arab Leaders on Bosnia

*LD1508143895 Moscow ITAR-TASS World Service in Russian 1329 GMT 15 Aug 95*

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 15 Aug (ITAR-TASS) — Russian President Boris Yeltsin has sent a message setting out Russia's position on the Bosnian settlement to King Fahd of Saudi Arabia, King Husayn of Jordan, King Hassan II of Morocco, and a number of other leaders of the Arab world, Russian Deputy Foreign Minister Viktor Posuvalyuk told an ITAR-TASS correspondent.

First and foremost, the message emphasizes that Moscow makes no distinctions on religious or ethnic grounds in its approach to the Yugoslav crisis, the deputy minister said. The Russian head of state informed the Arab leaders in detail of the efforts undertaken by Russia to bring about a settlement of the conflict. The message stresses that Russia is preparing and striving to support constant dialogue with the Arab leaders, Posuvalyuk emphasised.

The fact of the message's existence was revealed today in an article published in the Cairo AL-AHRAM newspaper which reported that it had been received by Libyan leader Mu'ammar al-Qadhdhafi. A source in the office of the Russian president's aides explained to ITAR-TASS that Boris Yeltsin's message was actually a response to a letter sent to him by Arab leaders, including Mu'ammar al-Qadhdhafi.

### Foreign Ministry Hails Israeli-Palestinian Accords

*LD1508171495 Moscow INTERFAX in English 1619 GMT 15 Aug 95*

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, Aug 15 (Interfax) — According to Russian Foreign Ministry spokesman Mikhail Demurin, "Moscow hails the complex of intermediary agreements on expanding Palestinian autonomy on the West Bank, redeployment of Israeli troops and on security measures reached by Palestinian National Administration head Yasir 'Arafat and Israeli Foreign Minister Shim'on Peres in the Egyptian town of Taba."

"A new step was made towards the Palestinian self-rule. Moscow views the results of the meetings between 'Arafat and Peres as a compromise reached through serious doubts and difficulties," said Demurin.

He also said that Russia, a co-sponsor of the Middle East peace process, will further contribute to the successful development of Israeli-Palestinian talks.

### 'Difficult' Talks Held With Afghans Holding Hostages

#### Taleban Demands List of POW's

*LD1508161495 Moscow ITAR-TASS in English 1452 GMT 15 Aug 95*

[By Viktor Lebedev]

[FBIS Transcribed Text] KUWAIT CITY, August 15 (Itar-Tass) — "The talk with Afghan Mujaheds in Qandahar about the release of the Russian IL-76 plane detained by Afghan refugees on August 3 with the crew of seven of board was difficult one. Mujaheds are firm. Their demands are unrealistic. No readiness for a compromise has been shown." Zamir Kabulov, Counselor of the Russian Embassy in Pakistan, who arrived in Sharja, the United Arab Emirates, from Qandahar said this to Itar-Tass on Tuesday.

"Mojaheds treat a purely humanitarian matter as political," the Russian diplomat said after meeting the Qandahar council that was attended by most of its members. As condition for opening the talks on the crew's release, Mojaheds demand the supply of information on the 60,000 Afghans missing after the civil war in Afghanistan. Taleban movement believes they were taken to the USSR.

The answer regarding the essence of Taleban's demands is contained in the statement of the Russian Foreign

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Ministry made on Tuesday, Kabulov said. This answer will be brought to the notice of Qandahar through the international Red Cross or other international mediators on the same day. A pause sets in the talks.

Kabulov is ready to fly from Sharja to Qandahar to discuss the answer of the Afghan side. He believes the IL-76 crew is kept in tolerable conditions at Afghan standards in the Governor's guest house. All of them are in good health, including flight engineer Viktor Ryazanov who experienced stress.

Two officials of Transavia firm based in Sharja, the United Arab Emirates, which had leased the apprehended plane participated in the negotiations together with Kabulov, who arrived in Qandahar on Monday.

The IL-76 plane owned by the Kazan-based air company Airstan was making on August 3 a chartered flight on Tirana-Sharja-Kabul route when it was forced to land by Taliban's fighter planes. The crew was visited on Saturday in Qandahar by a physician of the Russian medical centre in the United Arab Emirates. He gave medical help to Ryazanov who complained of high blood pressure and heart ache. The Russian aviators were supplied with food products, drinking water and reading matter.

### Ministry Claims No 'Interned' Afgans

*LD1508163295 Moscow ITAR-TASS in English 1522 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 15 (Itar-Tass) — There are no Afghan citizens either on the territory of the former Soviet Union or in the Russian Federation who were forcibly brought from their homeland, a representative of the Russian Foreign Ministry said in a statement which was received by Itar-Tass today.

The document notes that the Afghan side has been repeatedly informed about this.

The issue on Afghan prisoners, the statement says, was raised on Monday during a meeting in Qandahar between a representative of the Russian Embassy and members of the Taleban movement in Afghanistan who had seized a plane of a Russian private company on August 3.

As a term for the beginning of talks on the release of the Russian crew and the aircraft, the Afghans demanded lists of tens of thousands of Afghans who had been allegedly interned and brought to the Russian territory.

At present, there are some hundreds of Afghans in Russia although their exact number is not known as many of them came to Russia illegally, mostly through other Commonwealth countries.

Only a few Afghan citizens are being kept in Russian prisons who were convicted for committing various crimes. In accordance with the existing international standards, official representatives of Afghanistan have the right to get in contact with them, the Foreign Ministry spokesman stresses in the statement.

Thus, there are no reasons and grounds to link a humanitarian issue of releasing Russian citizens — members of the crew of the private plane — to the non-existent problem of "interned" Afghans, the document points out.

The statement contains the hope that the Taleban movement in its actions will proceed from the real facts and be guided by humane considerations, as well as take into account the objective interests of both countries in the long-term development of mutually advantageous relations between Russia and Afghanistan.

### U.S. Disagrees With Moscow's Decision on Lynch Case

*LD1508130295 Moscow INTERFAX in English 1205 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 15 (Interfax) — The U.S. side has said it believes that the Russian authorities' decision to cancel U.S. resident's Jason Lynch's visa and declare him "an undesirable person" came as a result of "serious misunderstanding" of the event, a high-ranking diplomat of the U.S. embassy in Moscow told Interfax in an interview today.

According to the Russian version, U.S. resident Jason Lynch was detained by the Russian Federal Security Service on August 3 near the Krasnoyarsk-26 closed facility (Siberia) while he was carrying out visual surveillance using a piece of equipment with which he could possibly pinpoint the exact location of the facility.

The U.S. diplomat said Lynch had been working within an environmental expedition of the Russian Biophysics Institute which was measuring radiological contamination of the Yenisey river.

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"Captain Lynch is an instructor of the U.S. West-Point Military Academy's geographic department and was engaged in scientific research in eastern Siberia at the specific and longstanding invitation of Russian scientific authorities," the U.S. diplomat said.

He said this was the entire scope of Captain Lynch's activities in Russia.

The diplomat also said that after completing the work with Russian colleagues Lynch had returned to Moscow on Friday, August 11, and had left Russia the next day, as he was scheduled to do.

When asked if the U.S. will protest the Russian authorities' decision regarding the "Lynch case," the U.S. diplomat said: "We are making our views clear to the Russian government."

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## Political Issues

### Yeltsin Vetoes Law on Federation Council Formation

*MK1608095495 Moscow SEGODNYA in Russian 15 Aug 95 p 2*

[Report by Yelena Tregubova: "The President Has Had His Way Over the Ex-Officio Principle of Forming the Senate. 'Nationwide Interests Will Be Inculcated' in the Regional Elites"]

[FBIS Translated Text] The president has vetoed the law on the formation of the Federation Council, which envisioned that the upper house would be elected, not formed on an ex-officio basis.

The head of state noted that of the six alternatives, the deputies "have chosen the version of the law which deviates most from the Constitution." According to Boris Yeltsin, it contradicts the "spirit and letter of the Fundamental Law" whereby "the two houses of the Russian parliament have different jurisdictions: Unlike the State Duma, which represents the country as a whole as well as the interests of various strata in the form of political associations, the Federation Council represents the interests of Russian Federation components in the form of their power bodies."

It will be recalled that under Russia's Fundamental Law, "two representatives from each federation component shall be in the Federation Council: one from the representative and one from the executive branch." The Duma members, however, preferred to interpret this provision as the possibility of holding elections to the upper house "from among candidates nominated by the local power bodies."

It was expected in the Kremlin that the Federation Council would reject the law. However, senate advocates of the law unexpectedly managed to ensure its passage by using the mechanism of "poll voting" ["oprosnoye golosovaniye"] (i.e., a postal poll of all absent deputies), as a result of which the document was formally declared approved, although it was passed by a majority of just one vote and, according to senate lawyers, its validity is very dubious. The presidential press service described the situation as follows: The law approved by the State Duma "has been actively lobbied for by those Federation Council members who were elected to this house under the transitional provisions of the Constitution." In other words, believe the champions of the Federation Council's being formed on an ex-officio basis, only those of its current members who, not being regional heads, otherwise have no chance of getting into a new house insist on the upper house's being elected.

Commenting on the conflict over the law, presidential aide Georgiy Satarov said that any references to the "undemocratic" nature of an ex-officio formation of the Federation Council — as opposed to the elective principle — are absolutely inconsistent. "This is nothing but a confusion of terms," he stated. "Electivity does not necessarily mean democracy. For instance, the first tsar in the monarchic Romanov dynasty was also elected." According to Georgiy Satarov, one main attribute of democracy is federalism, "the normal functioning of which in fact guarantees the formation of the Federation Council with representatives of the regional authorities." The presidential aide backed up his opinion by citing "world experience, where upper houses of parliament are not elected but formed, for example, on the representation-of-estates [po soslovnomu] principle, as in Britain, or by direct appointment, as in Canada."

As Federation Council Speaker Vladimir Shumeyko announced earlier, "lying on the president's desk is a draft query to the Constitutional Court over the procedure for forming the upper house," a response to which he intends to use in order to provide legal substantiation to his veto on the "elective" version of the law. However, yesterday the presidential press service refused to confirm or deny to your SEGODNYA correspondent that such a query was being prepared. The press service said that the president thus far "is ready to discuss with the deputies options for the formation of the Federation Council that do not contradict the Constitution."

The main sponsor of the Duma version of the law, Vladimir Isakov, promised yesterday that, "The Duma will look for ways toward a dialogue with the Federation Council and the president on finalizing this law." According to him, the first session of the conciliation commission has been set for 28 August. Such statements, however, are in all likelihood only an attempt to avoid reproaches of "being unready for compromise." Yesterday Isakov also clearly indicated that the Duma "does not intend to revise its position on the issue of electing the Federation Council."

If Isakov's followers are again supported by the majority of deputies, in several months the president will resort to the "fallback" option mentioned by Vladimir Shumeyko. According to him, if "no agreement is reached," Boris Yeltsin "will necessarily issue an edict on whose basis a new Federation Council will be formed."

The incumbent members of the Federation Council — even those who support the "elective" option — are strongly pessimistic about the possibility of "conciliation procedures" and have almost resigned themselves to the idea that the house "is doomed to work by edict." In

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any event, after this coming December the upper house, to all appearances, will, in the president's expression, "fully correspond to the constitutional principle of federalism," being comprised of all regional leaders. True, presidential aide Satarov admitted, the conditions necessary for a normal application of federalism in Russia "are just beginning to take shape," and it will be necessary for a long time yet to "inculcate nationwide interests among the regional elites."

**Yeltsin, Rybkin Meet To Discuss Duma Activities**

*LD1508190795 Moscow ITAR-TASS in English 1617 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 15 (ITAR-TASS) — Russian President Boris Yeltsin met State Duma Chairman Ivan Rybkin in Kremlin on Tuesday.

The presidential press service reported that Rybkin informed Yeltsin about the results of the State Duma's activities over the past year and a half and of its last session.

Yeltsin and Rybkin discussed the results of an extraordinary Duma meeting, in particular draft laws on which the Duma overcome vetoes by the Federation Council and the president.

They also discussed the legislation on elections, especially bills on constituencies and the formation of the Federation Council.

Rybkin laid out to the president the State Duma's stance over the Chechnya peace talks and the developments in the former Yugoslavia.

**Yeltsin Speaks at Science Policy Council Meeting**

*LD1508132895 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 15 Aug 95*

[From the "Novosti" newscast]

[FBIS Translated Text] A meeting of the Scientific-Technical Policy Council took place in the Kremlin today under the chairmanship of Boris Yeltsin.

Next year the financing of scientific and technical programs will increase to a total of between 6 trillion and 9.5 trillion rubles, Russian President Boris Yeltsin said today in his address to the participants at the Scientific-Technical Policy Council. The president paid particular attention to the use of what is known as dual-purpose technologies. Experts consider that there are over 70 percent of these in the defense complex. It is a question of making the most effective use of the unique potential of the military-industrial complex to produce competitive civilian products.

In the president's opinion, the widespread application of dual-purpose technologies and the use of qualified personnel will help to make structural changes to the economy, create jobs, and alleviate the problem of unemployment in the country. Yeltsin said that Russia has colossal potential for a powerful technological breakthrough in conversion.

[Begin Yeltsin recording] We have decided to set up working groups on key areas — ten of these areas have been singled out — from the whole mass of scientific-technical policy these ten programs — these key, breakthrough programs — which carry along behind them a whole train of industries and so on. These will be designated as presidential programs. They will be monitored by this council and a particular person will be designated as the leader of each program. And as a result, we shall by no means lag behind but shall lead the world in these areas. [end recording]

**Focuses on Dual-Purpose Technologies**

*LD1508123695 Moscow ITAR-TASS in English 1055 GMT 15 Aug 95*

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, August 15 (ITAR-TASS) — The use of dual-purpose technologies was in the focus of discussion at today's meeting in the Kremlin of the Council for Scientific and Technological Policy set up on President Yeltsin's initiative.

President Yeltsin who chaired and addressed the meeting said the use of dual technologies is now one of the key issues in the scientific sphere because, according to experts, such technologies account for more than 70 per cent of all those used in the defence complex.

According to President Yeltsin, "our country's military-technical achievements are indisputable, and Russia has colossal potential for a powerful technological breakthrough in the field of conversion."

"Our objective is to qualitatively change the make-up of the military-industrial complex and switch to a more effective use of the defence sector's unique production, research and development potential in order to begin mass production of high-quality, competitive civilian goods," Yeltsin said.

The President stressed that MIC potential must be used to win priority positions on the world markets, preserve and further strengthen the country's defence capability and to make up in quality what the country has lost in quantity through cuts in armaments and military equipment.

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President Yeltsin expressed confidence that "the civilian sector of our economy will be able to withstand the struggle against imports only if the military-industrial complex provides requisite technologies."

The President expressed regret that the field of commercialization of high technologies in Russia lacks professionals. According to Yeltsin, a large-scale application of dual technologies and the use of highly qualified personnel of the military-industrial complex will help restructure the economy and create additional jobs in order to alleviate the acuteness of the employment problem in Russia.

Yeltsin drew special attention to the development of radio-electronic equipment. According to him, this sector is particularly suitable for the use of dual technologies, and therefore, its importance for the country's future is priceless.

The President spoke with regret about the deep crisis through which the radio-electronic industry is now going in Russia. He said expert estimates show that the industry would lead all others in the world as far as the volume of production is concerned by the year 2000.

The President said the current crisis is a threat "to our national interests and security of the Russian Federation.

Yeltsin announced that a new presidential programme "Dual Purpose Technologies" had been drafted and called on the Council members to evaluate the new programme from positions of maximum responsibility and propose the most promising projects for inclusion into the presidential programme.

The President said the programme was designed to embrace the entire range of technologies of prime importance for the country's economic development.

The President praised the State Duma for passing, in first reading, the bill "Concerning Science and the State Scientific and Technological Policy," but added that the document needs finalising and further improvement so as to give the country "a law that would be in effect for decades without overlooking some important "trifles".

Yeltsin told the Council members that during his meeting with Prime Minister Viktor Chernomyrdin next Monday he would consider more allocations from the 1996 federal budget for funding research and development projects in Russia. The head of state said the allocations would increase by 6 trillion to 9.5 trillion roubles to amount to a total of about 5 per cent of the GDP.

Today's meeting of the Council for scientific and technological policy was attended by Prime Minister Viktor Chernomyrdin in his capacity as the Council's Deputy Chairman, the President's adviser for economic matters Alexander Livshits and the presidential press secretary, Sergey Medvedev.

**Second 'Russia Is Our Home' Congress Viewed**

*MM1608100295 Moscow SOVETSKAYA ROSSIYA in Russian 15 Aug 95 p 1*

[Unattributed report: "Wide Girth"]

[FBIS Translated Text] The second congress of the "Russia Is Our Home" movement, which was formed only a few months ago on the president's instructions, was held last Saturday [12 August] in the conference hall of the capital's "Rossiya" Hotel.

As at the first congress, the leader — Premier Chernomyrdin — boldly theorized. This time it was stated: "We will not reconstruct socialism, communism will simply remain a specter." Immediately after this, confirming Western specialists' worst fears regarding the molding of the "Russia Is Our Home" leader's election image, he as usual suddenly did a zigzag again, totally failing to complete his thought logically: Seemingly having remembered himself just in time, the former CPSU Central Committee member suddenly made a proviso that directly contradicted his passage about socialism and communism. Quite reasonably citing world experience, Chernomyrdin acknowledged that capitalism too was a "stage that has been passed."

Having thus landed himself into a situation akin to that of a character in Ilf's notebook — an eclectic with a negative attitude toward eclecticism — the chief theoretician of "Russia Is Our Home" did not, however, experience an inferiority complex. He even freely admitted the original sin of the movement he heads: Yes, "Russia Is Our Home" is the party of power, and there is no point in hiding it. Moreover: At a news conference after the congress Chernomyrdin outlined a prospect that is absolutely terrifying for all Russians (except new Russians, who are killing Russia off): "Russia Is Our Home" not just for a long time but "forever"!

There were also other interesting moments at the congress of irrepressibly optimistic "Russia Is Our Home" supporters and in its lobbies. Even more than the first, the congress was illuminated by the wildest fantasy on the theme of the young shoots of stabilization which are allegedly already breaking through. The irrational vision of harsh Russian reality has reached the stage whereby the main speaker, without batting an eyelid, urged people to get used (just as in the time of socialism criticized by him!) to the words "upturn" and "increase" (meaning by the latter not a mandatory increase in

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prices). The speaker got so carried away by his fantasies that he even stated: "An improvement in the welfare of citizens is no longer a mirage."

In the election platform adopted at the congress "Russia Is Our Home" is called not the "center right" but a "broad center movement." A very, very, very broad center! With a very, very wide...girth!

### Economic Policies Viewed

*MK1608065495 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 1*

[Report by Vladislav Borodulin: "'Russia Is Our Home's' Economic Course: At 90 Degrees From the White House"]

[FBIS Translated Text] The recent congress of "Russia Is Our Home" [RIOH], among other things, revealed the differences between the economic policies pursued by Viktor Chernomyrdin as premier and Chernomyrdin as leader of a political movement.

There is hardly much point in dwelling in detail on the three sections in the RIOH program that deal with economics: After all, Chernomyrdin the premier is no antagonist of Chernomyrdin the politician, and there are very many passages in the party program that coincide with those in the government program, even in wording. This is especially true of the sections on social and agrarian policies, although an attentive reader can find some differences here as well.

There are many more differences in the fifth section of the program, entitled "Economic Policy." Let us consider the most significant ones: The authors of this portion of the program proceeded from the assumption that the liberal stage of the economic reform, which provided "market grounds for upgrading the country's economy," is already drawing to its end, and therefore key targets need to be changed fundamentally. Instead of "financial stabilization at any price," a new "core of the reform" is being built: "to encourage the accumulation of national capital." Whereas Chernomyrdin the premier has failed to formulate in any way the principles of cooperation between the state and business, Chernomyrdin the politician is talking about "extending the area where the national interests and the interests of economically active entities directly coincide." An ideological basis — previously nonexistent — has been given to the largely unchanged slogan of creating "a mixed socially-oriented economic system" in Russia. Aleksandr Shokhin, the RIOH's top economist, formulated it as follows: The movement [RIOH] will adhere to a "social state liberalism."

These, however, are but broad slogans. As for particulars, their difference from the present state policy is even more conspicuous. Regarding privatization, the movement intends to make a "90-degree" turn: It proposes that its fiscal role be abolished completely and denationalization be used again as a vehicle to address the tasks of investment. Unlike the government, the movement rates the interests of an enterprise higher than those of the budget, and proposes that the "role of investment competitions be given more prominence." At the same time, the leaders of the movement believe that it is impermissible to slow down the sales rates with respect to the level of demand. In other words, in the conditions of reduced demand, this will mean a significant decrease in privatization indices in absolute figures (in rubles and the volume of property).

We have already talked about the fundamental difference as regards monetary policy principles: RIOH does not need "a victory over inflation at any price." Instead, the movement claims that it will be quite sufficient "to create conditions for a gradual but steady slowing down in the growth of prices and their stabilization." The section dealing with tax policy looks somewhat weird. Whereas all — or nearly all — other sections are free from any overt contradictions and show fair consistency, there is obviously some "malfunction" in this part. In its first lines, the authors declare that they strive to "markedly simplify the tax system." Virtually the entire remaining text — one and a half pages in dense typeface — is the description of privileges and preferential terms to be granted by the movement, in the event it wins the election, to regions, sectors, and individual enterprises. If this is simplifying the tax system, then what does it mean to complicate it?

The authors have obviously had the least problems with the section called "Structural Policy." The lack of any coherently formulated structural policy in the present government has brought competition with the official position to naught. The main idea underlying "RIOH's structural policy" is that raw material sectors of the economy can become precursors of "intersectoral blocks," which can play the role of motive forces for the economy. The authors conclude, therefore, that the state must focus its attention precisely on the needs of the economic sectors on the rise and those enterprises whose production may be in demand with the rising sectors. In other words, the movement promises to do its best to promote the creation of such chains as "gas production—demand for equipment—development of machine building."

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### Payment of Wages Promised

*MK1608043895 Moscow SEGODNYA in Russian 15 Aug 95 p 2*

[Report by Svetlana Lolayeva: "Government Bloc Promises To Find Funds for Wages and Pensions. Pensioner Voters Begin To Smash Windows in Social Security Offices"]

[FBIS Translated Text] Viktor Chernomyrdin promised, at the Second Congress of the "Russia Is Our Home" [RIOH] movement, to solve the problems of pension and wage arrears. He announced that the state of the economy did not make it possible to do this earlier, but that now the government intends to find the money. Clearly, greater efforts in this area are supposed to be part of the premier-led movement's propaganda campaign. Sergey Belyayev, who has become the leader of RIOH's coordinating committee, stated that such steps by the government "have not been prompted by considerations of the moment," while it is clear that they may sway voters.

Mstislav Afanasyev, executive secretary of the government commission for non-payments, told your SEGODNYA correspondent that wage arrears are going down, standing at 3 percent of the total sum as of 1 June. In the first half of 1995, the federal budget spent 16.6 trillion rubles [R], or 91.2 percent of the planned sum, to pay wages. Budget debts to industrial enterprises (R3.3 trillion) and agriculture (R1.4) are the highest. The most difficult situation has taken shape in the military-industrial complex, in which connection the Finance Ministry was tasked, at the commission's 12 July session, to work out a schedule of payments for state orders, and the State Committee on the Defense Industry was tasked with drawing up a list of enterprises with wages unpaid for more than two months. The delay in payment of wages in the national economy generally is 28 days, while it was three months at the start of the year. In Mr. Afanasyev's view, the task of paying the wage arrears before year's end stated by the prime minister is quite realistic.

It will be harder to pay pensions on time. Your SEGODNYA correspondent was told at the Pension Fund that money to pay July pensions was sent to its regional departments yesterday. The delay in paying pensions in subsidized regions is one and a half months and, in theory, pensions for the current month should have been paid within the first ten days of August. In the words of Andrey Tyshko, head of the main administration for the registration and distribution of funds, the situation in some regions is ready to explode, and there have already been instances of smashed windows and "altercations" [razbiratelstva] between irate pensioners and social security personnel. At the same time, the state owes the Pension Fund R2.4 trillion, including [R]1.1 trillion in debts from 1992-1993 that have not been indexed to inflation. Furthermore, the debt incurred by enterprises in insurance premiums is [R]10 trillion. The Pension Fund has no money salted away, with all the money received being instantly channeled to pay pensions. Talks are in progress with the Finance Ministry on providing the Pension Fund with a $300 billion loan to offset the budget debt. Furthermore, the government has asked the Central Bank to grant the Fund a preferential credit at 5 to 10 percent annual interest. First Vice Premier Anatoliy Chubays is conducting talks with some commercial banks on the same loan.

To all appearances, the cabinet, a considerable part of whose members are in the "Russia Is Our Home" movement, are prepared to come forward not only with populist statements, but also to do all they can and cannot do to get them implemented in a bid to attract as any voters as possible. Representatives of the "party of power" have far greater opportunities to do so than their election rivals from other parties and movements.

### 'Self-Critical Approach' Urged

*MM1508140895 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 2*

[Report by Lyubov Tsukanova: "'Russia Is Our Home' Has No One But Itself To Criticize and Therefore Movement's Program Is Based on Positive Elements"]

[FBIS Translated Text] Having approved in principle its program and election platform at its second all-Russia congress, the first phase of which took place 12 August, the "Russia Is Our Home" movement has virtually completed its organizational formation. The "second phase" of the congress, which it is planned to hold in early September, will ratify once and for all the program documents and decide lists of candidates for the coming elections. As the movement's chairman, Viktor Chernomyrdin, said, "Russia Is Our Home" intends to "cover" all 225 single-seat districts with its candidates. The movement's federal list should also be expected to be among the largest.

The movement's program is in principle based on positive elements — which is understandable since the "party of power" has no one but itself to criticize. But in order to ensure that voters prefer "Russia Is Our Home" to other parties it has to use fundamentally different methods from everyone else to win over voters since it has a fundamentally different position toward power — others are only striving to secure power while "Russia Is Our Home" actually holds it. Therefore it would be

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logical for the "Russia Is Our Home" election platform to not only demonstrate what is in prospect, but at least try to show what the current ruling elite **has already done** for Russia. Of course, it has nothing particular to brag about in the economy and social policy, but it is strange that even such a trump card as political stability and guarantees against another revolutionary leap forward has not been highlighted by propaganda. Moreover, that is what is important for the bulk of voters in choosing their priorities, as is illustrated in particular by the mail coming in from the regions and the capital to the Russian president. Typically, "Russia Is Our Home" receives the largest number of letters out of the entire election mailbag and this means that its emergence in the electoral arena is linked with definite hopes on the part of the population.

If the "Russia Is Our Home" movement sees these hopes as the expectation of populist promises in the socialist spirit (like the premier's quite strange desire to introduce the title "Hero of Labor") it will unequivocally lose out to more "dramatic" populists, of which Russia has plenty. But if it is emphasizing the fact that it is the "party of action," it must show action, preferably by demonstrating not unheeding confidence in the absence of rivals but rather the self-critical approach to words and deeds characteristic of true professionals.

**Foreign Trade Commission Officials Appointed**

*MM1608092095 Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6*

[Russian Federation Government Directive No. 1072, signed by Russian Federation Government Chairman V. Chernomyrdin in Moscow on 29 July]

[FBIS Translated Text] 1. N.I. Zakhmatov, chief of the Russian Ministry for Foreign Economic Relations Main Administration for Trade and Economic Cooperation With the Countries of Europe and North America, is hereby confirmed as deputy chairman of the Russian parts of the intergovernmental commissions on trade and economic and scientific and technical cooperation between the Russian Federation and the Union Republic of Yugoslavia, the Russian Federation and the Republic of Slovenia, and the Russian Federation and the Republic of Croatia;

V.Ye. Sokol, main specialist of the Russian Ministry for Foreign Economic Relations Main Administration for Trade and Economic Cooperation With the Countries of Europe and North America, is hereby confirmed as senior secretary of the Russian parts of the aforementioned commissions.

2. Russian Federation Government Directive No. 1704 of 14 September 1992 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII 1992, No. 12, Article 991) and Council of Ministers-Russian Federation Government Directive No. 1266 of 14 July 1993 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII 1993, No. 30, Article 2804) are hereby deemed to have expired.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

**Chubays Signs Agreement on Repaying Miners' Wages**

*LD1508205495 Moscow ITAR-TASS in English 2038 GMT 15 Aug 95*

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, August 15 (ITAR-TASS) — Russian First Deputy Prime Minister Anatoliy Chubays and representatives of the Rostov regional mining union and the Rosugol company later on Tuesday signed a protocol on repaying of a 200 billion rouble debt in wages to the regional mining sector.

The government will establish weekly control of arrival of pay onto mines' bank deposits.

Twenty-seven billion roubles earlier appropriated by the federal budget in wages have not reached the Rostov region so far.

Sixty billion will be transferred to the regional mining sector within days, including 13 billion drawn from reserve deposits of the Russian leader coal company Rosugol.

At present, 143 miners are on a hunger strike in the Rostov region in protest of wage delays.

**Agrarians To Ally With Communists in Elections**

*LD1508130695 Moscow ITAR-TASS in English 1130 GMT 15 Aug 95*

[By Valentin Pavlov]

[FBIS Transcribed Text] BARNAUL, August 15 (ITAR-TASS) — An intention by the Agrarian Party of Russia [APR] to bloc with Communists in the coming elections to the State Duma (Russian parliament lower house) was confirmed by APR leader Mikhail Lapshin, addressing a zonal conference of the leaders of seven territorial and regional APR organisations in Siberia, which ended in Barnaul late on Monday.

The agrarian leader also stated that "there will be no alliance with the Russia Is Our Home movement, since the movement advocates private property of land, which contradicts the interests of Russian peasants".

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Lapshin said that the party now numbers over 300,000 members. This gives it a chance "to come to many rural residents with explanations of the APR's policy", he continued.

According to the leader, the party's task in the election struggle is to bring as many followers to the Duma as possible "in order to have a chance to achieve decisions in favour of rural residents".

The conference approved regional and federal lists of APR candidates to a new lower house. The federal list includes Lapshin, incumbent Agriculture Minister Aleksandr Nazarchuk and prominent collective farm chairman Vasiliy Starodubtsev. The forum also elected delegates to an All-Russian congress of Agrarians.

Commenting on the results of the conference in Barnaul, chairman of the APR Altai territorial organisation Viktor Fominykh told ITAR-TASS on Tuesday that the bloc of Agrarians and Communists have "very high hopes for a victory at the coming elections".

**Union of Communists Submits Election Candidates**

*LD1508202695 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, Aug 15 (INTERFAX) — The Union of Communists election bloc submitted to the Central Election Commission its list of candidates that will take part in the December 17 elections to the State Duma. The bloc was set up on the basis of a small organization of the same name.

The bloc's statement received by INTERFAX Tuesday "recommends all leaders of separate Communist parties (Communist Party of the Russian Federation headed by Zyuganov, Russian Communist Workers' Party led by Tyulkin and Russian Communist Party headed by Kryuchkov) to refrain from submitting separate party lists and support the list of the Union of Communists."

Ceslav Mlynnik, who was commander of the Riga riot police during the tragic events of January, 1991, in the Latvian capital, is among the candidates on the list.

**Communists Seen Deeply Split Over Federal Ticket**

*MK1608075495 Moscow SEGODNYA in Russian 12 Aug 95 p 2*

[Report by Viktor Khamrayev: Two Communist Electoral Blocs Are Enough To Disconcert Pensioners. Federal Ticket Turned Out To Be a Stumbling Block in Consultations of the Zyuganovites With the Anpilovites"]

[FBIS Translated Text] The most disciplined of Russian voters — the pensioners — run the risk of turning into the most slipshod ones in the forthcoming parliamentary elections. Senior citizens (who, in fact, have for the last two years been securing the turnout percentage required for an election to be valid) could quite possibly cast invalid ballots in December — and do that regardless of their own will.

They (the indisputably communist electorate) are subjected to this risk by none other than the Russian communists themselves, who, after the CPSU breakup/disbandment, set out along "the Leninist way" in independent parties — the CPRF [Communist Party of the Russian Federation], RCWP [Russian Communist Workers' Party], RPC [Russian Party of Communists], AUCPB [All-Union Communist Party of Bolsheviks], etc. For purposes of the creative development of the communist idea, this split probably ought to be considered beneficial. In the election race, however, it might only reduce the splinter parties' chances for success.

The communists are well aware of this, as they have already suffered a fiasco twice this year: in the second round of the elections to the St. Petersburg Legislative Assembly and in the elections in Tataria. On the St. Pete ballots, two communist blocs were mentioned, and three of them on the Tatarstan ballots. A disciplined voter, brought up in the tradition of "voting for the inviolable bloc of Communists and non-Party people," entered the ballot booth to see a lot of names on the ballot that seemed familiar from childhood. So the voter left them all there, promptly crossing out the other, alien names. This rendered the ballot invalid, and the deputies' seats slipped away from the communists.

In early July of this year, at the 30th CPSU Congress, they called for teaming up in a united election bloc. They even voted for a "united communist" bloc back then.

When it came to the propaganda and organization campaign, however, two blocs emerged: the CPRF (Gennadiy Zyuganov) and "Communists—Working Russia" (Tyulkin and Anpilov, both Viktors). In their strategic program guidelines, the blocs are virtually indistinguishable: Power to the Soviets of the working people, revival of the USSR, abolition of the institution of the presidency, state regulation of the economy, etc. The differences can only be noticed in their tactics: the Anpilovites, as distinct from the Zyuganovites, call for a radical restoration of the benefits of socialism.

The architects of the two blocs immediately declared their readiness to unite and embarked on weekly consultations. After six weeks, the consultations brought two positive results. The first, as your SEGODNYA correspondent has been told by Yuriy Terentyev, RCRP secretary, is that the leaders of the two blocs, in the course

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of the talks, assured each other of their unwavering mutual support. The second positive result was a successful solution to the issue of naming the united bloc. In the end, according to Mr. Terentyev, the sides made mutual concessions, and "a compromise was reached." The bloc, in the event it is formed, will be called "the Communists of Russia."

The consultations entered a crucial stage last week: that of distributing places on the federal ticket. The CPRF proceeds from the differences in the parties' membership: the Zyuganovites count 515,000 members and the RCWP 162,000. The Zyuganovites, however, maintain that the Anpilovites, in actual fact, number no more than 50,000, and therefore they offer the radical communists one-tenth of the ticket or a maximum of one-eighth. The radicals, in their turn, suggest that in half the constituencies (where the RCWP estimates its chances for success higher than those of the Zyuganovites) the ticket be drawn up in a ratio of one to five, and in the other half of the constituencies (where the CPRF has gained a foothold) the ticket representation be divided in a ratio of one to fifteen. The Zyuganovites, at the same time, are in no hurry to let the Anpilovites have but a single of the 12 central places on the ticket.

The final outcome of the consultations is due on 26 August. Still, not one of the sides has been able to confirm to your SEGODNYA correspondent thus far that the election campaign unification of the communists is going to take place after all. Each bloc continues its "solo navigation." The Anpilovites have been reinforced: The Russian Party of Communists (Anatoliy Kryuchkov) and the "Union of Popular Resistance" (Sazhi Umalatova) have joined their bloc.

It is worth recalling that at the beginning of the century, Mark Aldanov, a writer, observed: "Possibly, capitalism all over the world would have a rough time if the revolutionaries abhorred the bourgeoisie as much as they do each other."

### 'Union of Live Ring' To Take Part in Elections

*LD1508234995 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 15 Aug 95*

[Quotation marks denote recorded passages]

[FBIS Translated Text] The Union of Live Ring intends to take part in the forthcoming parliamentary elections in Russia. The participants in the movement said today that the Union's definitive political and economic platform will be endorsed after the congress scheduled for 19 August. Our correspondent has the details:

[Correspondent Georgiy Andronnikov] The Union of Live Ring was set up after the August 1991 events by the defenders of the White House. However, it will be taking part in elections for the first time. The Union's chairman Konstantin Truyevtsev spoke of the main ideas of Live Ring:

[Truyevtsev] "Putting it very briefly, the election program is a combination of democracy and patriotism. Human rights and national rights are indivisible for us, and precisely for Russians."

[Andronnikov] The union will go the elections not on its own but will form an alliance with Irina Khakamada's Common Cause party:

[Truyevtsev] "The Union of Live Ring was one of the participants in and initiators of the creation and organiztion of Common Cause."

[Andronnikov] As Truyevtsev said, despite the fact that Live Ring is in constructive opposition to the government, the Union's members support the actions of Russia's President Yeltsin, including his actions to resolve the crisis in Chechnya, and do not see an alternative to him. Georgiy Andronnikov, Ekho Moskvy.

### 'Countercoalitions' Threaten Ruling Party

*MM1608090895 Moscow IZVESTIYA in Russian 12 Aug 95 p 2*

[Report compiled by IZVESTIYA Analysis Center experts Dmitriy Badovskiy, Dmitriy Gvozdev, Olga Yefimova, Armen Karapetyan, Yekaterina Kazakova, Aleksey Radzishevskiy, Aleksandr Sokolov, and Teymuraz Shaveshov: "Russian Regions Report to 'Russia Is Our Home' Congress on Success in Campaign for and Against It"]

[FBIS Translated Text] One in four Russians polled, IMA-PRESS reports, see the "Russia Is Our Home" electoral bloc as the "bosses' party." Only 6 percent see it as a "party of the working people." Those figures from a poll carried out in July by the "Public Opinion" Foundation are of undoubted interest to the participants in the "Russia Is Our Home" Congress that opens in Moscow today. The "party of power" that currently rules us and wants to go on ruling us should also be interested in the very diverting processes developing in the regions around and, no less importantly, against "Russia Is Our Home".

We are talking about the formation in the regions of a left-wing radical coalition opposed to "Russia Is Our Home."

It had seemed until recently that the regions would harmoniously join "Our Home" as if at a command

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from the unified center. But a new countermovement very soon emerged.

Competing fiercely among themselves, a whole series of regional parties and movements have decided to cooperate actively in the face of the "common enemy." And, incidentally, these include not just "left-wing radicals" but "democrats" too — who can hardly be suspected of a passion for unification.

Regional countercoalitions have been springing up like wildfire almost everywhere over the summer in parallel with local "Russia Is Our Home" branches.

The most important countercoalition — perhaps even on an all-Russia scale — has been formed in Eastern Siberia. Well-known opposition senator Petr Romanov has cobbled together the "Krasnoyarsk Homeland" [Rodnoye Krasnoyarye] movement with the participation of the Agrarian Party of Russia, the Union of Commodity Producers and Entrepreneurs, and the trade unions. Initially it was not clear how extensive the bloc would be, but all doubts were dispelled as soon as Gennadiy Zyuganov called the coalition a "union of national-patriotic forces."

Petr Romanov, who can stake a claim to being a charismatic leader, is entirely capable of attracting a definite effective force.

In general, the problem of leaders is the problem of voters' being inclined and prepared to cooperate with them. Thus, in Kemerovo Oblast all the political forces in opposition to the current government have united around Aman Tuleyev. So much for the Liberal Democratic Party of Russia's [LDPR] being "self-sufficient within itself" — it too is cooperating with others in this area.

The "Zhirinovskiy party," which leads the experts' ratings, is distancing itself from the new blocs in other regions, but if it does join them it will by no means be for policy reasons. For instance, in Novosibirsk Oblast's Zayeltsovskiy Electoral District Communists and Zhirinovskiy followers could consolidate as a result of the friendly relationship between their local leaders. Another sensational exception — but of another kind — was the statement by the leader of the Chelyabinsk Oblast branch of the LDPR: "Our organization is not opposed to cooperation with 'Russia Is Our Home.'"

Most inclined to consolidate with kindred organizations are the Communists, who would seemingly have no reason to worry about struggling to get into the Duma. But Valentin Kuptsov, the Communist Party of the Russian Federation number two, called at a regional plenum in Ulan-Ude for the creation of strong left-wing alliances at all levels, up to and including village and rayon level, so as to avoid any splintering of "our" electorate.

It seems that this call has been heeded, and that coalitions along the lines of "Krasnoyarsk Homeland" will soon be emerging across Russia. For the time being, relatively narrow blocs are operating that were created either for local elections or for the last federal elections — "People's Unity" in Bryansk, "For the Revival of the Urals" in Chelyabinsk Oblast, "For People's Power" in Saratov, and so forth. New blocs whose founders are clear about the breakdown of forces are being formed "for the elections" just a few months before the vote goes ahead. These include "People's Opposition" in Volgograd and "For Genuine People's Power" in the Altay.

In a whole series of regions the new cooperation between the Communists and the Agrarians is based on the tried and tested experience of combating hated administrations. These are now personified by "Russia Is Our Home" — the collective "enemy image" in which specific features of specific administration heads can be seen. This list includes, to a greater or lesser extent, most of the oblasts of the Central Region and southern Russia, and certain national republics.

Figures and forces capable of strengthening the opposition blocs are coming to the forefront of the political scene more and more frequently. Take, for instance, the "Power to the People" bloc, whose leader Nikolay Ryzhkov names the Communist Party of the Russian Federation and the Agrarian Party of Russia as his main allies and hopes through joint efforts to win half of the seats in the future parliament. The bloc has already won the support of a number of regional organizations, particular the Kuban "Fatherland" movement.

Trade union influence in the regions is growing. In a number of oblasts — such as Bryansk, for instance — they have practically merged with Communist Party of the Russian Federation branches. In Yaroslavl Oblast the coalition with the Communists is a fait accompli.

Opposition grouping leaders state that the government bloc is turning into their main rival in the coming elections. Left-wingers take a hard line against "Russia Is Our Home". And they are very tough on those who seek political refuge under the roof of the Chernomyrdin "Home."

Other regional elites are striving to get under that "roof" for a very understandable reason — so as to "solve" the socioeconomic problems of their regions through their proximity to the "top man" and by "giving a hand" to the Cabinet of Ministers. Thus, the patriotic "Fatherland" bloc in Tambov Oblast, according to informed sources,

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could very well join "Russia Is Our Home". Hard-line positions are taking a back seat to problems which cannot be solved by constant confrontation with the government.

The opposition's obeisance to "Russia Is Our Home" could result in a very entertaining metamorphosis. Namely — disorder and splits in the left-wing opposition camp.

The new nomenklatura of "Home builders" forces the rest either to align themselves with hard-line rallies or to come to some agreement on ground rules. Something of the sort is happening to the Communists in Orel. But the Democrats (primarily Russia's Democratic Choice) have not managed to escape a similar fate either. For instance, in Yaroslavl Oblast leading democratic parties have decided, at Russia's Democratic Choice suggestion (a rare occurrence!), to unite. They are even ready to join "Russia Is Our Home," with which there is generally no love lost.

In the Far East an almost historic occurrence has come about — in Khabarovsk Kray the Communists suggested to the Democrats that they put up a single candidate in the elections so as to provide a serious contest for the local "party of power," which has become a full participant in "Russia Is Our Home". The refusal, however, was not long in coming. Immediately several parties (the Republican Party, the Free Democratic Party, and others) decided urgently to organize a "Union of Democratic Forces" designed to oppose both the officials from "Russia Is Our Home" and the Communists.

The electoral situation in the regions is increasingly starting to look like "Russia Is Our Home" versus the rest. And "the rest" are clearly not planning to sit idly by. This bodes no good for "Russia Is Our Home" in that. It is very possible that in each specific region the "Home builders" will run the risk of facing a single and very powerful adversary.

**Data on State Secrets List Amended**

*MM1608083895 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 1*

[Unattributed report: "Security: 'Declassified'"]

[FBIS Translated Text] A Russian Federation Government decree has made changes to the interim list of data constituting state secrets designed to implement OSCE documents on confidence- and security-building measures and global exchange of military information. In particular, information regarding the numerical strength of peacetime Armed Forces personnel has been "declassified." The Defense Ministry will convey the information covered in the OSCE documents to the Russian Federation Foreign Ministry at the prescribed times. The intention is to organize visits for OSCE representatives to certain military installations once every five years.

**Deputy of Passport Refusal Appeals Body Named**

*MM1608084195 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 1*

[Unattributed report: "Cadres: If You Were Refused a Foreign Passport"]

[FBIS Translated Text] By decree of the Russian Federation Government T. Ramishvili, chief of the Russian Federation Foreign Ministry Administration for International Humanitarian Cooperation and Human Rights, has been appointed deputy chairman of the Interdepartmental Commission for the Consideration of Russian Federation Citizens' Appeals Against Their Refusal of a Foreign Passport and Temporary Restrictions on Foreign Travel. V. Vakhmin has been relieved of these duties.

**Sobolev Appointed Head of Kurgan Administration**

*LD1508195995 Moscow ITAR-TASS in English 1700 GMT 15 Aug 95*

[FBIS Transcribed Text] MOSCOW, August 15 (ITAR-TASS) — Russian President Boris Yeltsin signed a decree on Tuesday to appoint Anatoliy Sobolev head of the Kurgan regional administration, the presidential press service said.

Last Wednesday, Yeltsin's decree relieved Valentin Gerasimov from his duties as the head of the administration in connection with his transfer to another job.

Gerasimov, 54, has been appointed chairman of the electoral commission of the Kurgan region, the secretariat of the Kurgan regional administration told ITAR-TASS by telephone today.

**Law Enforcement Seen Gaining Sweeping Powers**

*MK1608053495 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 15 Aug 95 p 1*

[Unattributed report: "Counterintelligence People Will Be Watching Purchases of Goods"]

[FBIS Translated Text] The rights of Russian law enforcement structures have been considerably expanded under the new federal law "On Operational Investigative Activity."

MOSKOVSKIY KOMSOMOLETS has come to learn from a source in the central apparatus of the Federal Security Service that the law was drafted in the depths of this power department and was passed virtually without

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changes by the deputies and signed by the president. Now the list of permitted operational investigative measures includes virtually all possible methods of operational activity against citizens.

Among them are such strange devices as operational experimentation and even test purchases [as published]. How the state security and militia are going to decipher all this is unknown. It appears, however, that law enforcement structures have acquired the right to employ all possible means to watch, eavesdrop on, penetrate [using agents], and keep citizens under surveillance.

Incidentally, the special services may now conduct investigations for 48 hours virtually without controls, based solely on indications of a crime. Only after this should law enforcement agencies notify a judge or end the surveillance. Generally, control has been assigned exclusively to the heads of the departments conducting operational investigative measures.

**Security To Be Increased at Secret Sites**

*LD1508165695 Moscow Russian Television Network in Russian 1300 GMT 15 Aug 95*

[From the "Vesti" newscast"]

[FBIS Translated Text] After the American Jason Lynch was detained not far from the closed town of Krasnoyarsk-26 on 3 August, security will be stepped up at secret installations, General Sankov, head of the regional directorate of the Federal Security Service, has told journalists. Many aspects of Lynch's activity can be categorized as spying, the general said. He was released because the security bodies could not find out what his intentions were.

America disagrees with this description of its national's actions, however. A senior official at the U.S. Embassy in Moscow told INTERFAX today that Lynch was taking part in scientific research in eastern Siberia and nothing else.

## Military & Nuclear Issues

**Arms Company Adjutant Loses Job**

*MM1508122995 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 1*

[Unattributed report: "Cadres: Sacked"]

[FBIS Translated Text] By Russian Government directive S. Oslikovskiy, first deputy general director of the "Rosvooruzheniye" State Company for Exports and Imports of Arms and Military Equipment, has been relieved of his post.

**Yeltsin Seen Yielding to Grachev on Nuclear Safety**

*MK1508150495 Moscow KURANTY in Russian 15 Aug 95 p 4*

[Commentary by Lev Lin: "Too Many Cooks.... Defense Ministry Will Once Again Be Its Own Nuclear Controller"]

[FBIS Translated Text] The other day, the president of Russia issued a royal directive introducing changes to the Regulations for Federal Supervision of Nuclear and Radiation Safety. The gist of the changes is that control over treacherous radiation in the military sphere has once again been assigned to the Defense Ministry....

Even before this directive, Grachev's department did not let, with a minor exception, representatives of Gosatomnadzor [State Committee for the Supervision of Nuclear and Radiation Safety] into their nuclear domain despite the rules established by the president. Now the army has been legally protected from strict supervision.

While nothing in fact has changed, this has got specialists worried. The country has been putting a single system of nuclear safety supervision into place for three years now. A so-called permitting procedure has been introduced for the use of nuclear energy and radioactive materials. Before they issue an enterprise with a document for the right to work with nuclear materials, Gosatomnadzor specialists check up on the personnel's qualifications, the state of the equipment, storage conditions, and so on. It has become a rule at long last — nuclear materials can be made available only to those who have permission from Gosatomnadzor. And now an exception has been made for the military.

It is indeed at military facilities that more and more radioactive waste is piling up. Suffice it to take the graveyards of written-off nuclear-powered vessels on the Kola Peninsula and in Maritime Kray. Think of the recent attempt by the military to dump deadly liquid waste into the Sea of Japan, which provoked a world-wide furor. I will not even mention certain functioning nuclear plants that have been checked out by Gosatomnadzor specialists — they were literally horrified. No "civilian" atomic power station has or ever had such a negligent and thoughtless attitude to radiation safety. Civilian atomic electric power stations are not without blemish, of course, but they are being run by persons more or less skilled or at least competent. As for the "army atom," it is often being controlled by 100-percent amateurs with shoulder boards. Having discovered this, Gosatomnadzor sounded all the alarm bells — and now it has paid for it. First, civilian supervisors were denied entry to military facilities. Now the president has officially assigned supervision

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of safety of all Defense Ministry nuclear facilities to the self-same Defense Ministry. The efficiency of departmental supervision has long been well known — it right away goes and turns out to be irresponsibility and permissiveness, as long as it can keep ugly things under wraps. God grant these "ugly things" do not turn out to be big trouble.

Reportedly, generals once again intend to carry nuclear waste in old containers. Given the present state of the railroads, hit by accidents nearly every day, such containers may very well fall to pieces in an accident. This would be worse than an oil spill up North, for which reason they are now manufacturing containers of increased strength. But there are not enough reliable shipment facilities, and instead of acquiring a sufficient number of safe containers, military strategists prefer a risk to which they subject not so much themselves as others.

The Defense Ministry's example has proven to be infectious. It has transpired from competent sources: The heads of a number of other departments that use nuclear materials have also bowed humbly before the president to have themselves, too, freed from Gosatomnadzor's unblinking eye. Should this happen, our peaceful atom will have too many cooks. This rule already existed in the pre-perestroyka era. Is it not for this reason that, for example, decontamination is still going on over a vast territory in a secret area of Chelyabinsk Oblast, where people continue to die from incurable diseases?

Is it perhaps to avoid such troubles that Boris Yeltsin ordered the creation of an extra-departmental system to supervise the Russian atom? But it seems that the repeatedly praised defense minister has managed to talk the president into reverting to the old practices.

It is you and I who are going to pay for this agreement. And our descendants.

## Federal Assembly

### Yeltsin Aide Satarov Cited on Yeltsin Veto

*MM1508133295 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 1*

[Unattributed report: "Veto on Law on Upper House"]

[FBIS Translated Text] The Russian president has rejected the federal law "On the Formation of the Russian Federation Federal Assembly Federation Council," adopted in July by the State Duma and approved by the Federation Council.

OUR INFORMATION: According to Russian presidential aide G. Satarov, of the six alternative draft laws submitted to the State Duma, deputies gave their support to the one whose proposals differ the most from the Russian Federation Constitution. It enshrines, in particular, the principle of Federation Council members' electivity, which contravenes Article 95 Section 2 of the Fundamental Law. Moreover, the adopted version stipulates a four-year term for the upper house, although the Constitution only prescribes such a term for the State Duma.

### Duma Overrides Twice-Vetoed Law on Foreign Trade

*MK1608081095 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 2*

[Report by Vadim Bardin: "Duma Has Overcome Yet Another Presidential Veto"]

[FBIS Translated Text] At their latest Saturday [12 August] session, the State Duma deputies had time to consider the law "On State Regulation of Foreign Trade Activity," rejected earlier by the president. It was their lucky day: Some 300 deputies voted for the law and overrode the second presidential veto. That, however, does not guarantee that the law will come into force.

KOMMERSANT-DAILY has already written about the law's unhappy lot, saying, in particular, that after the first presidential veto, when the conciliation committee was finishing its work on the text of the law and nothing betokened any sensations, the issue of licensing arms exports came to light all of a sudden. Under the law (as well as the rules of the World Trade Organization), there should be a single agency in Russia overseeing all export licenses — the Ministry of Foreign Economic Relations [MVES]. Currently, however, the "Rosvooruzheniye" company receives export licenses from the State Committee for Military and Technical Cooperation. Unwilling to change the practice, the export monopolists succeeded in obtaining the second presidential veto.

The Duma was also adamant on the point. The law will be submitted to the Federation Council once again and, if the upper house supports the law by at least a two-thirds majority, the president will be obliged to sign it. Nevertheless, any forecasts as to whether or not this will happen should take into account two considerations. First of all, the unofficial substantiation of the second veto, advanced by the State Legal Directorate of the presidential administration, may become official: The law belongs to the category of federal constitutional ones and, therefore, needs to be approved by three-fourths of the Federation Council. True, there is an essential objection to this. The status of a law must be determined not at the approval stage but at the development stage. Changing rules in the middle of

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a game, however, has become traditional in Russian politics.

On the other hand (and this is far more important), there is already virtually no need for this law; that is, for the MVES, the positions of which are significantly reinforced by the law, it is, certainly, important. As for the regulation of foreign economic activity, the situation is different. The thing is that the substance of the law — a return to administrative regulation of foreign economic activity backed by the WTO's authority at that — has already been implemented. A governmental commission on protective measures in foreign trade has been set up. Vice Premier Oleg Davydov, head of the commission, has already approved a temporary procedure for conducting investigations with a view to applying protective measures regarding commodities imported into the customs territory of Russia (see KOMMERSANT-DAILY of 10 August)

Furthermore, passage of the law could even upset the plans of those who regulate foreign trade. First, it is stipulated by the law that the MVES is not authorized to nullify decisions by Federation components in the sphere of foreign economic relations. Second, the law's drafters did everything possible to make it unnecessary for the exporters of raw materials to register their contracts with the MVES. However, it looks as if their efforts are going to be in vain. In answer to Article 13, which says that all measures of nontariff regulation not listed in the law are invalid, the MVES will most likely answer by saying: The registration of contracts, which formally is of a declarative nature, is not a nontariff regulation measure. From a legal viewpoint, the MVES will be right. Moreover, the government is planning to combine the introduction of contract passports with their registration for the purpose of precustoms price control, and, contrary to the expectations of the law's drafters, the chances for these plans to be implemented look good.

Anyway, the arguments against signing the law cited by the president (the existing procedure for arms exports and the "constitutionality" of the law) have not been answered thus far. If "Rosvooruzheniye" allies its forces with the presidential administration, the law may remain unsigned.

**Duma Hastens To Override Election Law Veto**

*MK1608092295 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 1*

[Report by Rostislav Neverov: "The Law in the Bushes, or The Election Is Nearing"]

[FBIS Translated Text] Since the deputies, who had interrupted their vacation at the height of an as yet rainless summer [as published], began filling the conference hall in numbers exceeding the quorum, and since their polemic ardor, despite being at a critical peak, is not flowing over the edge, and the capacity for work is at a record high, this clearly indicates one thing: An election is nearing. During the extraordinary plenary session on Saturday [12 August], probably for the first time ever, there was a general sense of time pressures: Nobody went into trifling details, and there were no disputes over procedural matters. Moreover, the voting on all questions was almost unanimous, including on the main issue: overriding the Federation Council's veto of the law "On Approval of the Arrangement of Single-Seat Constituencies for the Election of State Duma Deputies." There were 350 votes "for" and only five "against." It was promised that the law would be immediately submitted to the president for signature because it has to be published 110 days before the election.

Why on earth such a fuss? Judging from the agreeable comments by leaders of the most diverse factions, the deputies are seized with suspicion: What if, without a law on how voting districts are to be formed, the election is declared illegitimate? Declared by whom? Well, it could be the president, or the Constitutional Court, or the Central Electoral Commission, or else some other power body. The existence of the latter (a mysterious one) was indeed indirectly implied by the deputies, since otherwise at least two things are inexplicable: First, the pro-government factions cared for this law no less than the opposition ones. Second, the new law was instantly appraised very highly by both Nikolay Ryabov, head of the "suspect" Central Electoral Commission (he thanked the deputies for their "wisdom" and conjectured that the president would sign the new law without delay) and Georgiy Satarov, an aide to the "suspect" president. Satarov, in particular, noted that the law on the new arrangement of voting districts "fully complies with the standards of democratic representation," since "the less population figures vary in the constituencies, the better the voting results will reflect the actual alignment of forces."

Indeed, according to the law, the number of voters in the constituencies must be approximately the same — the maximum difference must not exceed 10 percent. In the 1993 election, it went as high as 25-28 percent. Viewing this issue from a pragmatic standpoint, however, the question arises: What in fact is the reason for the Duma's desire to put things in order, whereas two years ago many factions did quite well even in a disordered situation? At a news conference, Rybkin had to resort to folklore in order to drop a clear (although allegorical) hint about the essence of this matter: "Birds once snared fear all bushes, even if the bushes are of a

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legislative kind and are, as a matter of fact, very tiny." The thing is that behind these small bushes some suspicious deputies saw [Kazakhstan President] Nursultan Nazarbayev's sturdy figure: Incorrect formation of voting districts was the alleged reason that election results in Kazakhstan were declared null and void, and this enabled Nazarbayev to dissolve an already working parliament. In other words, a precedent is out there. Rybkin did not comment on this historical case; instead he profited from it and praised the parliament for its insistent efforts to make the legal basis "200-percent reliable."

However, on that very Saturday — so solemn and fruitful — this legislative effort of the surprisingly united Duma members (as well as that of the senators) was given an "unsatisfactory" mark by the president: Yeltsin turned down the law "On the Formation of the Federation Council," which had been passed and approved by the houses. The head of state explained the motives for this move in a letter to Rybkin. It turns out that of the six alternative draft laws submitted to the Duma, the house supported the one which was in greatest disagreement with the Constitution. The president, in particular, recalled that the draft law established the principle of electing upper house members, which is at variance with Article 95, Part 2, of the Constitution, and set a four-year term for the upper house, whereas the Constitution sets such a term only for the Duma. The president feels confident, however, that if the interested parties are indeed eager to rise above their own interests, a compromise will be found. For the time being, using the above metaphor, a new bush has emerged in the legislative clearing — a rather extensive one, too.

**Duma Passes Law on Electoral Districts**

*MM1508130095 Moscow ROSSIYSKIYE VESTI in Russian 15 Aug 95 p 1*

[Report by Dmitriy Orlov: "Electoral Districts Will Be 'Carved Up' on Time"]

[FBIS Translated Text] Few people believed that the lower house of parliament would succeed in overturning the Federation Council veto on the law "to 'carve up' electoral districts" without which the legitimacy of the coming parliamentary elections could be cast in doubt. The impossible proved possible: The draft law mustered 350 deputies' votes. Needless to say, the method of "voting for myself and for my [absent] buddy" was also used during the ballot this time, but the fact that the law was adopted can hardly be questioned.

The chairman of the State Duma is undoubtedly right to speak of the "200-percent reliability" of the package of Russian electoral legislation and the potential "legal integrity" of the coming elections. If Boris Yeltsin signs this act (and that is most likely what will happen), the law will be published and will come into force on time, more than 110 days before the elections, scheduled by the head of state for 17 December 1995.

On the whole last Saturday [12 August] Duma deputies evidently decided to make good all the omissions of the last session. The lower house of parliament asked the Russian president to consider the question of introducing a state of emergency in the Chechen Republic and also adopted three laws on the situation in Yugoslavia. If they are approved by the Federation Council and signed by the president, Russia will cease its participation in the international sanctions against the FRY [Federal Republic of Yugoslavia] and will introduce them against Croatia, the invader of Serb Krajina. As for humanitarian aid to the FRY, that is already being provided by the Russian Government.

**Extraordinary Duma Session Rushes Through Business**

*MM1508193295 Moscow IZVESTIYA in Russian 15 Aug 95 p 2*

[Report by Anatoliy Stepovoy: "Parliamentary Vacation Unites Deputies in 'State Duma Is Our Home' Party"]

[FBIS Translated Text] The extraordinary State Duma session, convened at the height of the parliamentary vacation, which caused tremendous doubts, disgraced the skeptics and set a number of outstanding records.

First, the deputies' summer turnout at the building on Okhotnyy Ryad was so high (360 people) that it amazed even Duma members themselves.

Second, this was the first time that the unanimity shown by all factions in the ballot might have been the envy of former CPSU congresses and plenums.

Third, having gathered last Saturday merely to overturn the Federation Council veto on the law on the formation of electoral districts and having handled this task in seven minutes (350 deputies voted "for," five voted "against," and two abstained) the Duma members were so inspired that they mapped out a new agenda and spent four hours in session without a break.

Parliamentarians worked successfully and well. Judge for yourselves:

1. Five Federation Council vetoes on the following laws were overturned (by 300 votes):

a) on the formation of electoral districts
b) on local self-government
c) on foreign trade activity

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d) on changes to the state budget (the "Pensions" section)
e) on the payment of insurance premiums to extrabudgetary funds

2. Two presidential vetoes were lifted on the laws:

a) on banks and banking activity
b) on the subsistence minimum

Duma members adopted three highly important international documents without a pause, straightway on the third reading and, moreover, immediately elevated them to the ranks of laws;

a) on the termination of Russia's participation in the international sanctions against the Federal Republic of Yugoslavia [FRY];

b) on Russian Federation measures to prevent the genocide of the Serbian people in the Republic of Croatia;

c) on measures to provide the FRY with humanitarian aid.

In this legislative race deputies also had time for full-fledged polemics about the situation in Chechnya and time to adopt a decree (it was said that it would also be no bad thing for this decree to bear the title of law), in which President Yeltsin was asked to officially introduce a state of emergency in Chechnya, take control of the financial expenditiure allocated for the restoration of the ravaged economy, and step up control on the state and administrative borders around Chechnya.

Journalists began talking: Are we not attending the birth of a new party, "The State Duma Is Our Home"? Even the congress held by Chernomyrdin's party, "Russia Is Our Home," taking place at the same time nearby — you only had to cross Red Square — might have envied such unanimity and cohesive work.

The unprecedented enthusiasm and unity of views is an unexpected and exceptional phenomenon for the fifth Duma.

Having sheathed their political swords for the sake of the law on "carving up" electoral districts — a law conceived and nurtured by the lower house — deputies unequivocally told the public that with this law they can really count on success in the coming elections in single-seat districts.

A poll of State Duma deputies showed that 90 percent of the present members of the house have decided to run in the elections. And it was no coincidence that on this day an unusually animated speaker of the house hurled this comment at the hall:

"I would like to see all of you, dear colleagues, in the new Duma."

It was not like the organizational congress of the center-left political bloc set up by Rybkin was taking place, but as if....

**Duma Deputies Clear Last Hurdles to Elections**

*MK1608103295 Moscow SEGODNYA in Russian 15 Aug 95 p 1*

[Report by Dmitriy Volkov: "The Plan of the Duma Emergency Session Has Been Overfulfilled"]

[FBIS Translated Text] The State Duma's emergency session last Saturday [12 August] passed with a remarkable turnout of deputies. Their number proved to be more than sufficient in order to override easily the Federation Council's veto of the law on the apportionment of constituencies and also to unblock a whole number of their own bills. Thus the members of the lower house have demonstrated their unwillingness to take a rest and their complete battle readiness.

The house, however, got together to consider only one issue. The law on constituencies angered representatives from a number of regions, especially from ethnic autonomies, who under the new scheme lost some advantages, and was blocked in the Federation Council. Meanwhile, without defining the new borders of the constituencies, the upcoming elections could be challenged if their outcome did not satisfy the authorities. But this collision, which agitated politicians for just a while, was resolved easily and quietly. At this point, however, the house did not break up but came out with a whole salvo of decisions. The emergency session proved to be very opportune for the lower house.

Many of the laws adopted in the face of the veto imposed by the president and the senate — for instance, in the sphere of foreign economic regulation or banking activity — can substantially make up for the gaps in domestic law. Other decisions — such as the imposition of economic sanctions against Croatia for its "aggression" in Krajina or a unilateral withdrawal from the regime of sanctions against Belgrade — look rather senseless and have already aroused some dismay, in particular at the Foreign Affairs Ministry. And finally, yet another set of Saturday's Duma decisions can be theoretically referred to the harmful category. The most shining example here could be an appeal to the president for immediate implementation of the AIDS law. This law, adopted by the Duma in February and signed by Boris Yeltsin in March, in its time provoked a painful reaction among the international community and especially diplomats accredited in Moscow because, among other things, it

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tightens the requirements on foreigners entering Russia more than is accepted in other parts of the world. It is not ruled out that if the president tries to respond positively to the Duma appeal, this move will produce a sharper reaction in diplomatic circles than the unilateral cancellation of sanctions against Serbia.

Even so the deputies, who in their election campaigns orient themselves toward Russia's citizens, not employees of foreign embassies in Moscow, have a fairly firm idea as to how the human immuno-deficiency virus should be fought. The initiator of the appeal to the president, Bella Denisenko, believes that the government is obligated at once to prepare "documents that would safeguard the country's citizens against AIDS." This demand was decisively supported by the majority of deputies, who are well known for their sensitive attitude to immunity.

If the government tackles this issue in the same extraordinary manner as the Duma worked last Saturday, safe sex will certainly be ensured for Russian citizens. This, however, can divert the electorate from fulfilling their civic duty, and lead to a deficit of people enjoying deputies' immunity in the next Duma.

True, the relative adversity of some decisions and documents approved by the lower house emergency session is quite counterbalanced by the fact that the deputies have finally received all formal grounds for attending to their immediate duty — the election campaign. It seems that State Duma members have perceived the Saturday session as the completion of the first stage of their activity and therefore displayed such admirable activity. To all appearances, the second stage will be dominated by promises, not lawmaking.

## Regional Affairs

### Chernomyrdin Faces Siberian Oil, Gas Issues

*MM1608101695 Moscow PRAVDA in Russian 9 Aug 95 pp 1, 2*

[Report by Dmitriy Gutenev: "Where Do the 'Black Rivers' Run? Notes From the 'Siberian Accord' Interregional Association Council Session"]

[FBIS Translated Text] Tyumen, Omsk — This year the "Siberian Accord" Interregional Association is five years old. Participants in the latest conference in Tyumen could not overlook this event. In recent times "Siberian Accord" has become a prestigious interregional association, respected both by foreign countries and by the Russian Government. Anatoliy Pronin, deputy head of Kemerovo Administration, stressed its significance most precisely of all, perhaps: "We were not in 'Siberian Accord' for two years. We got carried away by politics. Now we are convinced that the coolness in relations between the Kuzbass and 'Siberian Accord' was our mistake. We must get down to business."

Questions submitted to the agenda of the association's council sessions undergo in-depth analysis beforehand by Siberian academics and leaders of territories and in the association's various coordinating councils. That is why government members, politicians, eminent academics, ministers, leaders of territories and major enterprises, and bankers come here.

This time the head of government, Viktor Chernomyrdin, also came to Tyumen. The fate of Siberia's fuel and energy complex was discussed. In the opinion of Academician Abel Aganbegyan, the fuel and energy complex is the key question for tomorrow's economy.

In his introductory speech Leonid Polezhayev, chairman of the "Siberian Accord" Council and head of Omsk Oblast Administration, stressed:

"Today we are faced with a whole host of problems which oblige us to address both the problem of Siberia's energy security, and the distortion of the principles of social justice in the management and use of our regions' natural resources."

Three-fourths of Russia's oil, 90 percent of its gas, and two-thirds of its coal are extracted on Siberian territory; a quarter of its electricity and the same proportion of its heating are generated there. At the same time, industrially developed oblasts such as Tyumen Oblast or Omsk Oblast, with their huge petrochemical complexes, are subsidized. Is this objectively necessary, or fair?

According to the testimony of a group of academics from the Russian Academy of Sciences Siberian Department, who prepared analytical material for the conference's participants, "despite the unique potential for the extraction of energy sources, the Siberian fuel and energy complex is going through a profound crisis, which makes itself felt in the form of reduced output and the freezing of the construction of new power engineering facilities."

The policy of constantly overloading the production capacity of the fuel and energy complex in the face of the constant shortage of investments has led to the obsolescence and physical deterioration of the majority of production assets. Significant disproportions have shown up between the preparation of stocks, the extraction and processing of energy sources, the production and transportation of energy, and the development of production facilities and infrastructure. Hence the regions of Siberia have worse results from their enterprises' financial activity than those for Russia as a whole. Whereas the average proportion of loss-making enterprises in the country as a whole last year was 28 percent, in Western

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Siberia one in three enterprises was in this state, and in the East Siberian and Far East regions two in five. Around half of the enterprises in Tomsk Oblast and more than one-half of the enterprises in the republics of Buryatia and Sakha were loss-making.

At the same time, Russia cannot do without Siberia. The Siberian fuel and energy complex today produces almost 40 percent of Russia's total industrial output, if all forms of industrial output are evaluated at world prices (in 1990, this proportion was only just over one-fourth). Exports of oil and gas, which bring in 50-70 percent of the country's hard currency income, are 70-90 percent made up of Siberia's reserves.

The Siberian economy is being choked by the insolvency of enterprises and budget-funded organizations. The share of the fuel and energy complex in industrial production is around 30 percent, but its debit indebtedness has passed the 50-percent mark.

The policy of pricing for energy sources also provokes the antipathy of Siberians. And the point is not only the problem of receiving and distributing the energy producers' revenue and resolving on this basis the problems of funding production and the social sphere, but also the fact that the Siberian economy is highly energy intensive. The level of prices of energy sources laid down in "Russia's Energy Strategy" does not correspond to the level of efficiency of their use here. Quickly bringing prices up to "world levels" could exacerbate the situation still further.

The relationship between the federal and local budgets also requires revision. It was noted in Tyumen that the regions' share in contributions to the federal budget is growing. Mainly through value-added tax on the output of the fuel and energy complex. In Krasnoyarsk Kray, for example, in 1993-1994 payments into the kray budget amounted to only 30 percent of the contributions that were paid into the federal budget. The volume of contributions to the center has increased nearly fivefold, but the proportion of appropriations from the kray budget for capital investments has increased by only three-fourths.

The most important components of the Siberian fuel and energy complex are oil and gas. The main province where the "black rivers" start to flow is Tyumen Oblast. Here (mainly on the territories of Khanty-Mansiysk and Yamalo-Nenetsk Autonomous Oblasts) 200 million tonnes of oil will be extracted this year. Let us recall that in 1988 the oblast produced 400 million tonnes. The rivers, as we see, are only half as deep as they were. This slump, Leonid Roketskiy, head of Tyumen Oblast Administration, said, was brought about by several factors. The principal ones are the exhaustion of major, highly productive deposits and a shortage of investments.

The second most important oil region is Tomsk Oblast. Another 6.5 million tonnes will be extracted here, Roketskiy forecasts. There are good prospects in Krasnoyarsk Kray and Irkutsk and Novosibirsk Oblasts. However, the exploitation of the eastern regions will require increased unit expenditure in the initial period, which will make the investment recoupment period longer.

However, today neither Russia, nor Tyumen, nor the oil companies have the funds. Premier Viktor Chernomyrdin believes that it is necessary to be more energetic in attracting Russian and foreign investors to fund this work on product-sharing agreement terms.

But, so far, counting on foreign capital has not worked. These funds are concentrated in short-term projects aimed at restoring the efficiency of the wells. More attractive terms are necessary.

The future of the oil and gas complex, in the opinion of the conference participants, depends on the accelerated development and preparation [for exploitation] of reserves of oil and gas condensate. And whereas the position is more or less satisfactory as regards the latter, as regards oil the reality is as follows. In Tyumen Oblast in the period 1988-1994 the level of exploratory and prospecting drilling decreased by two-thirds, while the growth of new reserves decreased by nine-tenths. Since 1993, the raw material base has seen a reduction in real terms.

Siberia is the country's leading coal producer. The Kuznetsk, Kansk-Achinsk, and Irkutsk basins play an important role in deliveries. In addition, coal is also mined in several other regions of Siberia.

Over a long period of time the opinion persisted among miners that it was necessary to mine coal for the country at ever increasing levels, which gave rise to their conviction that, if prices of energy sources were liberalized and coal enterprises acquired economic autonomy, the sector could substantially alter its economic status. However, these hopes have not been borne out; the sector is currently undergoing a profound crisis. Coal extraction is down by one-third by comparison with 1990. The sector, despite repeated price increases, remains subsidized. Social tension in the coal mining regions is growing as a result of the increasing indebtedness of the state budget in terms of unpaid wages.

As at previous sessions, the question of rail transport tariffs was raised. This question was addressed by Valeriy Zubov and Ivan Indinok, the heads of Krasnoyarsk Kray and Novosibirik Oblast Administrations, and by

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Minister Yuriy Shafranik and other speakers — some indignantly, some in sorrow. Take coal again. Transport tariffs are double or triple the actual value of the coal itself, and in many cases sales now make a loss. This means that there is no state policy for the regulation of rail tariffs. These tariffs are growing more quickly than in the other base sectors.

"When a rural machine operator can earn 20 times as much by switching to the railroad," Ivan Indinok remarked, "it is worth considering: Just how fair are the railroad men's price hikes?"

However, even a 50-percent reduction in coal transportation tariffs would not revive the sales market for Kansk-Achinsk coal products. It is necessary to set up on-the-spot processing of this coal in order to increase the calorific value and transportability and get rid of ballast. Moreover, a change of priorities was announced. The emphasis in subsidization of the sector will gradually shift from coal mining toward coal processing. The sector will move toward the creation of a coal energy complex that is vertically integrated and embraces extraction, processing, sale, and also the production of electricity and heating.

At the present time relations between Moscow and Siberia are conditioned by two opposite and far from equal currents. Into the center — taxes; out of the center — commands.

The federal organs, Leonid Roketskiy said, exercise virtually all the key functions. They adopt laws, establish the taxation system, including the level of customs duties and excise, regulate exports, and grant foreign economic privileges. They determine the procedure for privatizing enterprises, they form companies and control them through their controlling blocks of shares. They distribute resources to fund geological prospecting work, conclude production contracts, and establish gas prices and the tariffs for pumping oil and petroleum products. They do many other things which do not correspond to the structural principles of a federal state. A state in which so little account is taken of the interests of the territories is more like a unitary state.

A pressing need has arisen for the creation of a special subdepartment of the Russian Ministry of Fuel and Energy in Siberia's regions. Siberians hope that the draft law on output-sharing agreements being examined by the federal organs will not encroach still further on their rights and inflict additional financial losses on them.

The excessive centralization of administration, the conference heard, cannot be tolerated. While welcoming the government's plans to set up a Tyumen Oil Company, for which the relevant instructions have already been issued, Siberians consider it essential to increase their influence on the fuel and energy companies already existing in the regions. In this respect it would be expedient to transfer half the voting shares of joint-stock societies operating in the regions to the state ownership of the Federation components.

Given the opportunity to manage companies, the Siberian regions would be able to resolve the issue of prices of energy sources, which is such a pressing issue to them. "Siberian Accord" members believe that these prices should be lower in their regions, since the output is of local production.

This especially concerns the price of natural gas. In all regions of the country gas is sold at the same prices, irrespective of the distance it has to be transported. Thus consumers in regions that are remote from the gas-producing regions are being covertly subsidized at the expense of the gas-producing regions. But commodities delivered to Siberia from the western regions are sold at prices which allow for delivery costs.

A paradox can be observed. Gas is still not on tap in Yamalo-Nenetsk Okrug, which produces almost 90 percent of the country's natural gas, State Duma Deputy Chairman Artur Chilingarov noted. The southern regions of Siberia suffer the same hardship. Hence the "Siberian Accord" Council resolved to elaborate a program for the gasification of Siberian territories.

Members of "Siberian Accord" took full advantage of Viktor Chernomyrdin's participation in the conference. They succeeded in getting the head of government to give specific instructions to the corresponding ministries and departments. There were 14 such instructions in the final version. Among the most important are the elaboration of a program for the development of the Siberian fuel and energy complex through the year 2010, a draft decree on transport tariffs for the transportation of fuel and energy sources, and others. In addition, a draft Russian Federation Government decree was adopted which should give state status to Siberian problems and programs.

The Siberians displayed stubbornness. The center, surprisingly, agreed without excessive opposition. Is it wising up? Or were we seeing evidence of far-sighted tactics? Many promises were made. Will they be fulfilled? Nowadays, like it or not, you view every action by the executive through the prism of the forthcoming elections to the Federal Assembly, through the prism of the strengthening of the "Russia Is Our Home" bloc. Does this account for Moscow's being so complaisant? Will it not get tough again once "Russia Is Our Home" has successfully overcome the parliamentary hurdle?

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**Seven Named To Clear Up Caucasus Conflict**

*MM1608093795 Moscow ROSSIYSKAYA GAZETA in Russian 15 Aug 95 p 6*

[Russian Federation Government Directive No. 1056 "On Membership of the Collegium of the Russian Federation Provisional State Committee for Clearing Up the Aftermath of the Osset-Ingush Conflict of October-November 1992," signed by Russian Federation Government Chairman V. Chernomyrdin and dated 29 July]

[FBIS Translated Text] Vladislav Vasilyevich Demyanenko, Yakov Matveyevich Kukuy, Ramazan Omarovich Lagkuyev, Gennadiy Nikolayevich Troshev, Nikolay Aleksandrovich Fedoryak, Grigoriy Petrovich Fomenko, and Magomed Zyaudinovich Uzkhakhov are hereby confirmed as members of the collegium of the Russian Federation Provisional State Committee for Clearing Up the Aftermath of the Osset-Ingush Conflict of October-November 1992.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

**North Ossetia Begins Confiscating Firearms**

*LD1508210495 Moscow ITAR-TASS World Service in Russian 1331 GMT 15 Aug 95*

[By Valeriy Shanayev]

[FBIS Translated Text] Vladikavkaz, 15 Aug (ITAR-TASS) — "Arsenal," a large-scale police operation, began in North Ossetia today. Its aim is to confiscate firearms, ammunition, and drugs from the local population.

Soslan Sikoyev, North Ossetian deputy interior minister, has told ITAR-TASS that the Interior Ministry's patrol detachments have stepped up control over important transport links, railway stations, the airport, and all kinds of transport. Special attention is being paid to areas bordering Chechnya.

**Kalmyk President Proposes Election in October**

*LD1508211095 Moscow ITAR-TASS in English 1815 GMT 15 Aug 95*

[FBIS Transcribed Text] ELISTA, August 15 (ITAR-TASS) — President Kirsan Ilyumzhinov of Kalmykia today motioned to the parliament to set an early presidential election for October 15.

This move follows the parliament's Monday decision to extend his term until 2000. A motion was tabled to make Ilyumzhinov's presidency life-long, but it was voted down.

The 160-member parliament voted in favour of the motion of Ilyumzhinov, who in his address explained at length that Kalmykia's population was to decide with whom goes down the road of reforms.

Ilyumzhinov also voiced hope that his step would "prompt" Russian President Boris Yeltsin that an early presidential election would allow him to win it.

Ilyumzhinov said his initiative should carry a message of reproach to Russian regional leaders who lingered in their posts too long.

**Kalmykia Production Falls While Inflation Soars**

*MM1608085795 Moscow SELSKAYA ZHIZN in Russian 15 Aug 95 p 1*

[Report by Yuriy Yudin: "What Can You See in the Mirror"]

[FBIS Translated Text] Elista — The Kalmykia State Committee for Statistics has published the results of the republic's socioeconomic development in the first half of the year. They mirror the state of public life in Russia: unremitting gloom.

Here are some agro-industrial complex figures. As a result of the reduction in the number of livestock and poultry, production of meat, eggs, and milk in this period fell by 9, 4, and 37 percent respectively. On the other hand prices rocketed. They rose by factors of 3.5, 3, and 4.4 for food, nonfood commodities, and consumer services respectively.

And another point. Agricultural workers have the lowest wages — 105,00 rubles per month. That is less than half the subsistence minimum.

**Offshore, Inshore Fish Poachers Netted in Murmansk**

*MM1608082695 Moscow KRASNAYA ZVEZDA in Russian 15 Aug 95 p 1*

[Report by Sergey Vasilyev: "'Putina' Imposes Fines of 68.5 Million Rubles"]

[FBIS Translated Text] Murmansk — "Putina-95," a large-scale operation involving inspectors from the "Murmrybvod" administration and sea-based border guards from the Russian Federation Federal Border Service Arctic Group, has come to an end in Murmansk Oblast.

During the operation, 48 Russian and seven foreign trawlers were inspected and many of them fined. Poachers were also notable on the oblast's internal waterways. In all 551 people were arrested, and the fines amounted

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to 68.5 million rubles. Over 330,000 kg of freshwater and sea fish have been confiscated from criminals.

### Zaveryukha Urges Farmers To Support Agrarian Bloc

*LD1508203095 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

[FBIS Transcribed Text] ST. PETERSBURG, Aug 15 (INTERFAX) — Russian agrarians must act as a single bloc at the upcoming parliamentary elections because "only their strong faction in the State Duma can really ensure state support for the agro-industrial complex and normal agrarian reforms," Deputy Prime Minister Aleksandr Zaveryukha said Tuesday.

Speaking at a meeting of farm bosses in St. Petersburg, he said that not all rural residents can join the Agrarian Party (headed by Mikhail Lapshin) while "all must support" the party's election bloc."

Zaveryukha stressed that he had a positive attitude towards the Our Home Is Russia movement (led by Viktor Chernomyrdin). He also pointed though, that the State Duma's Agrarian Party faction (55 deputies) "faces serious resistance on a series of issues relating to agrarian reform legislation."

Tuesday evening Zaveryukha leaves St. Petersburg for the Orel region where he will take part in an outdoor rally organized by the Russian Academy of Agricultural Sciences and will inspect progress with harvesting.

### Sverdlovsk Campaign Style Innovation Noted

*954F3073A Moscow LITERATURNAYA GAZETA in Russian No. 32, 9 Aug 95 p 2*

[Report by LITERATURNAYA GAZETA correspondent Natalya Zenova: "All Means Are Good. Except Those That Are Boring: First Round of Mayoral Elections is Over in Sverdlovsk Oblast"]

[FBIS Translated Text] Yekaterinburg — "Goodness, look how many governors there are!" exclaimed one female voter, looking over the sea of leaflets that flooded Yekaterinburg on the eve of the oblast gubernatorial elections (I want to remind you that there were eight contenders).

This exclamations could easily be extrapolated into the future, replacing the word "governors" with "deputies" or "presidents" — after all, it is already clear today that the upcoming national elections to parliament and the post of the head of state will have a great "bounty" of candidates. And will be very expensive. Therefore, in order to avoid their derailment right at the first round because of a no-show of voters and their becoming even more expensive, it might be useful to pay attention to the experience of the first regional gubernatorial elections.

So, as the mass media have already reported, about 39 percent of voters (with the required minimum being 25 percent) showed up at the precincts. What is not commonly known is that for a long time the elections were in serious jeopardy. Surveys showed that less than 25 percent of the voters intended to fulfill their civil duty. What woke the citizens from their political hibernation was an active, diverse, and in many respects innovative advertising campaign, first of all on television. Yes, from the standpoint of logic and taste it had its downside. But what is principally important is something else: For the first time the boring election chow was replaced by new forms of propaganda — lively, graphic, witty. It turned out that not all statesmen prefer to stand in front of the camera like a monument and broadcasting like an oracle. Many know how to smile, and do not mind laughing at themselves, and some — oh horror of horrors! — even allow others to joke about them! And this, strangely enough, only strengthens their image.... So viewers really enjoyed the advertising clips — actually, not just "ordinary viewers": It is not accidental that one of clips was shown in its entirety on the latest "Itogi." Add to this the music, animation, cartoons, dances specifically staged "in honor of the candidates" — no wonder interest in the elections increased sharply. Against his background, by the way, even the public's former pet V.V. Zhirinovskiy, who arrived at the Urals to support a candidate from his party, suffered a fiasco: The LDPR [Liberal Democratic Party of Russia] leader's gloomy "talking head" only emphasized the obsolescence of the trick itself.

So, Mssrs. future contenders and candidates — "keep smiling" [phrase rendered in English]! Maybe some do not like it; maybe it looks frivolous — but it has been recognized by sociologists of the whole civilized world: An election campaign is a political theater. This is scientific fact. And one cannot argue with facts.

As to Sverdlovsk Oblast, it is facing the second round of elections, in which the current head of the administration A. Strakhov and oblast Duma Chairman E. Rossel (the first round's leader) will cross sabers. The battle is intensifying; the political theater is preparing new premieres.

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### Urals 'Bread Crisis' Triggered by Local Official

*954F3082A Moscow MOSKOVSKIYE NOVOSTI in Russian No. 48, 19-23 Jul 95 p 2*

[Article by Vadim Chelikov: "Bread Crisis in Yekaterinburg: Urals Stunned by Scandal. It Could Become the Biggest Post-Perestroyka Scandal Here"]

[FBIS Translated Text] This is the chronology of events: During 11-13 June, the time of the celebration of Russia's independence, no bread appeared in Yekaterinburg at all. After which Nina Rissel, deputy chief of administration of the oblast, announced that the bread crisis had been provoked by Yekaterinburg Mayor Arkadiy Chernetskiy. In reply the mayor declared that Nina Rissel was trying to lay her own guilt on others. The oblast Duma under the leadership of Eduard Rossel (careful, the names are different!) decided to conduct a deputy investigation to uncover the reasons for the bread crisis. Sergey Dubinkin headed the deputy commission. On the night of 6-7 July three unknown individuals broke into Deputy Dubinkin's apartment and stole a briefcase containing documents concerning bread. Dubinkin announced that the documents are being renewed and that the commission for investigation into the bread crisis will report the results of its work no later than 21 July.

Meanwhile, a MOSKOVSKIYE NOVOSTI correspondent decided to conduct his own investigation, as a result of which an amazing story was revealed about a semi-family business headed by the very same Nina Rissel, the deputy governor.

Until 1993, the city of Sverdlovsk received grain from the federal stockpile. But in 1994, on instructions of the Government of Russia, the oblast received credit in the amount of R69.2 billion for the independent purchase of grain. The commission for the distribution of the money was headed by Nina Rissel. But, in the words of a member of the commission, Tamara Sysolyatina, deputy chief of the oblast financial administration, the commission assembled only once. Henceforth the financial administration received only instructions on whom to pay and how much.

Part of the money, about 30 billion, was received by the Yekaterinburgkhlebprodukt AO [joint-stock company]. The money really went for the purchase of grain. Moreover, the AO purchased grain with its own resources as well. But the rest of the billions were received by firms that never bought any grain. As a result, only 31,800 tonnes of the planned 122,400 tonnes of grain were purchased. The firms did not cope with the task. In particular, the Rus limited liability partnership bought 2,140 tonnes of grain instead of 600,000 tonnes. And the Gloriya-Intas TOO [limited liability partnership] acquired 16,931 tonnes of 34,000 tonnes.

Gloriya-Intas was established after the Government of Russia had issued credit to Sverdlovsk Oblast. Among the founders of Gloriya-Intas was Nina Rissel's daughter, Inna. And Gloriya-Intas received one of the largest credits—10 billion. All 10 billion were placed in a bank deposit. In May, Gloriya-Intas, displaying activity in the purchase of grain, acquired those same 16,931 tonnes of grain from the Yekaterinburgkhlebprodukt AO, and within a month sold it to the Yekaterinburgkhlebprodukt AO, but at a higher price, making a profit of about R115 million.

Nina Rissel also distributed POL materials allocated by the Ministry of Agriculture of Russia for harvest time. Nina Mikhaylovna transferred gasoline and truck oil to the Urals corporation, which is managed by her close friend, Marina Lyubarskaya. The latter in turn transferred the POL to the Vikoil firm. The head of Vikoil—Viktor Kazantsev—is Inna Rissel's husband, although they are officially divorced.

Of course, there is nothing illegal in the fact that Nina Rissel, deputy chief of the oblast, trusts relatives, including former ones, and close friends. Only in other oblasts the agricultural administration is in charge of monetary and commodity credits concerning food products. And, secondly, for some reason a loaf of bread costs more in Yekaterinburg than in other cities of Russia—R1700-2,000.

The MOSKOVSKIYE NOVOSTI correspondent was unable to meet with Nina Rissel herself. He was told in her reception room that Nina Mikhaylovna was very sick. But Vyacheslav Surganov, deputy speaker of the oblast Duma, declared that Ms. Rissel would nonetheless have to explain why and to whom she had issued credits.

## Economic Issues

### Economics Ministry's Urinson on Investment Program

*MM1508150795 Moscow ROSSIYSKIYE VESTI in Russian 12 Aug 95 p 3*

[Unattributed report citing First Deputy Economics Minister Yakov Urinson: "Encouraging Investors"]

[FBIS Translated Text] The program to encourage domestic and foreign investors was approved at last Thursday's government session after the finishing touches were put to it.

The process of investment over the last three years was analyzed during the program's preparation, the first

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deputy economics minister said. Total capital investment in Russia has fallen by 60 percent. But the most dreadful thing is that its effectiveness has continued to decline, falling by 25 percent. The implementation of one of the most important points of the government program to deepen reforms, that concerned with enhancing domestic investment activity and attracting savings, has essentially failed.

But the problem is not just that centralized capital investment has fallen off. The sources of enterprises' own investment and those sources of investment attracted from outside represent an ever-declining share of total investment. In the last 18 months only half of the deductions made for depreciation were used for the intended purpose — to renew fixed capital. The effectiveness of extrabudgetary investment is also low. This indicates that our own owners have failed to become strategic investors. Present-day shareholders often seek to "consume" the deductions made for depreciation, heedless of the fact that they will forfeit competitiveness tomorrow and that equipment must be renewed. Only one in 12 enterprises has taken advantage of the tax concession applicable to that part of the profit channeled into investment in production. It is simply not being channeled in that direction.

Yakov Urinson stresses that the share of state investment must increase. Today it constitutes less than 1 percent of GDP but must reach 2-3 percent by 1997. At least 60 percent of state investment must be channeled into the social sphere.

The development of underwriting and mortgages and the strengthening of investment guarantees can help invigorate the investment process at the level of enterprises.

The program intends to attract foreign investors through customs and tax concessions. Foreign investors will be guaranteed stable conditions for the whole period during which capital invested in the Russian economy is at work.

**Deputy Finance Minister on New Savings Loan Bond**

*MM1508135095 Moscow ROSSIYSKIYE VESTI in Russian 12 Aug 95 p 3*

[Unattributed account of remarks by Russian Federation Deputy Finance Minister Andrey Kazmin under the "Official" rubric: "Russians Will Have the Chance To Clip Coupons"]

[FBIS Translated Text] According to the statistics, the population has more than 20 billion (in dollar terms) — a sum comparable in size to IMF credit — in savings. And the real headache of every citizen who has disposable resources is where to place it. You can buy hard currency, but its exchange rate is falling. The commercial banks are unreliable. It turns out that all roads lead to that monopolist — the Sberbank [Bank for Labor Savings and Credit to the Population].

Today, however, the ordinary citizen has a choice: Last Wednesday President Yeltsin signed the Decree "On the Russian Federation State Loan," whereby the Ministry of Finance is to start issuing state loan bonds as of this September.

"It is planned to distribute bonds worth a total of 10 trillion rubles [R] within three years," Deputy Finance Minister Andrey Kazmin said. "The first issue of R1 trillion will be in circulation as early as September. The nominal value of the new bonds is R100,000 and R500,000, with a one-year life. In case anyone should take it into his head to try to find similarities between this loan and the voluntary-cum-compulsory loans that existed during Stalin's time, let's make it immediately clear that they have nothing in common.

"All the new bonds are redeemable in exactly one year, and the state guarantees that the capital will be redeemable in full on time. Moreover, the bonds will yield their owners a good return during the course of the year. Each security has four tear-off coupons — one for each three-month period. A rate of interest on the coupon — possibly a new one each time — will be announced each quarter. The return on the coupons will be determined on the basis of other state securities, particularly state treasury bonds, which have been placed with corporate bodies and enjoy great demand because of their high yield. The Russian Federation presidential decree specifically stipulates that the payment of income on bonds must not be less than that on state treasury bonds or other kinds of securities."

According to the deputy minister, the quarterly payments will be at an annual rate of interest of 110 to 140 percent. It is also important that these sums will be tax-exempt. Russian Federation Finance Ministry experts forecast heightened interest in savings bonds on the part of the population, since the yield of 30 to 50 percent on them could exceed the interest rates on private individuals' savings in commercial banks while they enjoy guaranteed redemption on time.

So we can now actually find out in practice what it means to clip coupons. While our economy will have an important investment instrument at its disposal, which will certainly serve the cause of stabilizing the country's national economy. Of course, when people buy the new bonds via the Sberbank or other banks they are unlikely to be thinking that they are thereby making a contribution to the country's recovery, they

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will be concerned solely by what's in it for them. But that goes to the heart of the matter. It turns out that the decree enables several birds to be killed with one stone — attracting people's resources, investing them in profitable sectors, while protecting citizens' savings at the same time.

**Inkombank To Leave Government Loan Consortium**

*MK1508100095 Moscow KOMMERSANT-DAILY in Russian 12 Aug 95 p 6*

[Unattributed report: "Inkombank Will Not Be Providing Credits to the Government as Part of the Consortium"]

[FBIS Translated Text] Inkombank has announced its abandonment of the consortium of banks set up to provide the Russian Government with loans in exchange for a state-owned package of shares in privatized enterprises. According to a statement of the bank's president, Vladimir Vinogradov, released Thursday [10 August], this step has been prompted by Inkombank's concern about the lack of clarity in share distribution among consortium members, as well as an aggravation of the situation on the country's financial market that is limiting credit resources." Observers think that Inkombank's quitting the consortium will hardly affect the latter's plans seriously, because Inkombank's proposed share was not very large — about $50 million, which corresponds to an average credit line to one major borrower. The total sum of the loans the banks plan to provide the government amounts to 9 trillion rubles (about $2 billion).

**Small Business Committee's Goals Explained**

*MM1508152795 Moscow ROSSIYSKAYA GAZETA ("Business in Russia" Section) in Russian 11 Aug 95 p 9*

[Article by Maksim Zarezin under the "Priorities" rubric: "The Fund Is Dead. Long Live the Fund! The State Makes Yet Another Attempt To Help Small Business"]

[FBIS Translated Text] Over the past two years the number of small businesses has been steadily increasing: Last year they increased to account for more than 20 percent of the industrial, consumer goods production, and construction sectors. At the same time the chronic illnesses accompanying the development of small business remain: heavy tax burden, shortage of resources to develop enterprises, bureaucratic obstacles, and pressure exerted by criminals.

You cannot say that the federal authorities are ignoring all these problems. In June the Law "On State Support for Small Business in the Russian Federation" was adopted, about which we wrote in the 30 June 1995 edition of "Business in Russia." At almost the same time the organs of executive power increased in number — the State Committee for the Support and Development of Small Business (the Russian SCSDSB) appeared, which assumed the functions taken on earlier by the Economics Ministry — the drawing up of federal policy for the support of small business and the coordination of the actions of departments and organizations participating in the implementation of this policy.

The appearance of any new bureaucratic structure usually, to put it mildly, makes people wary. But let us not be too hasty in drawing conclusions. Hitherto almost every ministry has had a subsection which is in one way or another connected with support for small business, but there is no cooperation to speak of between them and no state strategy in this sphere. At the Economics Ministry questions of the development of business have clearly gotten lost in the mass of plans and tasks facing this department.

The Russian SCSDSB is called on, inter alia, to implement the federal state support program for small business for 1996-1997, which is to be examined at a government session in August. The new committee will also be responsible for the work of a new federal fund. Some readers will exclaim: What, another fund?! Indeed, the Anti-Monopoly Committee Fund for the Support of Business and Competition is currently thriving. True, it did not show itself to its best advantage.

It was extremely difficult for a businessman who was just starting out to receive assistance from the fund as for this he had to submit 17 documents including a business plan, an expert financial opinion on his scheme, a banker's guarantee, and the agent bank's balance sheet. It is no accident that while in excess of 50,000 applications were made, less than 10 schemes were approved. However, the opportunities of the fund itself are very limited. At the beginning of 1993 it was decided to appropriate 25 billion rubles [R] to support small business, but the fund actually only received R7.5 billion of this sum, whose value had well and truly ebbed away by the year's end due to inflation. In addition, R2 billion of this money found its way into the authorized capital of "Mezkekonomsberbank," which was appointed as the fund's general agent.

Now a new fund will replace the old one: The reorganization will most likely take place in September. According to Russian SCSDSB Chairman Vyacheslav Prokhorov, the sad experience of the old fund will definitely be taken into consideration when this happens. He thinks that the new organization should not directly par-

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ticipate in the provision of credit for projects, and by so doing turn into a mini-economics ministry. It is not the fund's task to demand guarantees from the businessman but to provide guarantees to the banks which are prepared to give him credits. Often he has nothing to offer as security. Here the state will come to his assistance. The following type of support is possible: The fund offsets the bank interest rate to such a degree that the credit becomes acceptable to the borrower. Here, 20 percent of the funds are earmarked for the regions, which will have to decide on how to use them. True, given that the Federation components appropriate as much again, there will be a resulting doubling of the investment.

Regular reports on the fund's operation will not only serve as a means of control but also a stimulus for businessmen, who can get a clear picture of what type of commercial activities the state can support.

In the opinion of Vyacheslav Prokhorov, the fund should not only count on money from the budget. Clearly, it will also engage in entrepreneurial activities (since the fund's profits are not taxed) and attract financial resources from international organizations and Russian banks, or it will possibly issue its own funded loan. But this will be on one condition: All the earned or received capital should be reinvested in projects for the development of small business.

Funds in many countries — for example the Rockerfeller Foundation in the United States — work on a similar principle. Incidentally, the Moscow Anti-Monopoly Administration at one time proposed using a similar scheme to set up a fund for the capital to demonopolize the economy, into which banks were ready to deposit capital guaranteed by the state. However, this idea did not meet with support at that time.

### Daily: Recession Deepest in Military Sectors

*MM1508120795 Moscow KRASNAYA ZVEZDA in Russian 12 Aug 95 p 3*

[Report by Vitaliy Vitebskiy, chief of the Russian Federation State Committee for the Defense Sectors of Industry Main Information and Statistics Administration: "Military-Industrial Complex in First Half of 1995"]

[FBIS Translated Text] The results of Russia's socioeconomic development in the first half of 1995, as is well known, were contradictory. On the one hand, there are obvious signs of an easing of inflationary expectations, while, on the other, a high potential for costs is being maintained. Incomes are falling and, consequently, so is effective demand. At the same time, imports are growing. The results of the work of enterprises and organizations which are part of the Russian State Committee for the Defense Sectors of Industry system are not reassuring either.

#### Industry

The production slump is considerably deeper in defense sectors than it is in Russian Federation industry as a whole.

According to current information the volume of industrial production (in comparable prices) in June 1995 was down by 30.7 percent on the same period last year, and it is down by 23.5 percent since the start of the year.

A decline in production volumes in June 1995 has occurred in all sectors. The biggest decline was recorded in main administrations of the arms industry (48.5 percent), the shipbuilding industry (38.8 percent), the communications equipment industry (33.1 percent), and the radio industry (29.3 percent).

At the same time, we can note that the Main Administration for the Shipbuilding Industry in January and April and the Main Administration for Space Rocket Equipment in February and May recorded growth in production compared with the same period last year.

Of the 71 most important types of output covered by monthly Russian Federation State Committee for the Defense Sectors of Industry reports in the first half-year, production fell for 55 of them and increased for 15 of them compared with the first half of 1994.

#### Civilian Output

Total civilian production in comparable prices in June 1995 was 29.0 percent down in June 1994 and 22.5 percent down on the start of the year.

#### Military Output

Total military output in comparable prices in June 1995 was 33.7 percent down on June 1994 and 25.6 percent down since the start of the year.

#### Production of Nonfood Consumer Goods

Nonfood consumer goods worth 634 billion rubles [R] were produced in June 1995, and amounts worth R3,861 billion have been produced since the start of the year.

The physical volume of nonfood consumer goods production in June 1995 was 38.5 percent down on June 1994, and is 35.6 percent down since the start of the year.

#### Financial Position

The continuing slump in the military-industrial complex is promoting the defaulting crisis. Russian Federation

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State Committee for the Defense Sectors of Industry enterprises' and organizations' accounts payable increased by almost 40 percent over the half-year to stand at an estimated R16,110.0 billion as of 1 July.

The largest proportion of accounts payable as of early July 1995 was accounted for by debts to suppliers totaling R6,040.0 billion. This figure has increased by 36.3 percent over the six months.

Russian Federation State Committee for the Defense Sectors of Industry enterprise and organization accounts due increased by 37.0 percent over the half-year to reach R9,150.0 billion.

The amount owed by the state for output produced under state orders (and specialized R&D) reached R2,720.0 billion.

The situation is complicated by delays in the actual allocation to the complex of the funds envisaged by the federal budget. Budget funding of R1,238.7358 billion for the Russian Federation State Committee for the Defense Sectors of Industry is envisaged in the first and second quarters of 1995. As of 3 July 1995 just R849,743,300,000, or 68.6 percent of the amount envisaged, had actually been received. Out of 17 planned items of expenditure, only "State Investment" has been fully funded.

**Labor Indicators**

**Headcount**

In May 1995 average payroll headcount for the State Committee as a whole fell by 14.7 percent (the fall in industry was 15.1 percent, including a fall of 14.8 percent in numbers of production and industrial personnel).

**Wages**

Average monthly wages per employee in May 1995 were R304,000 for the State Committee as a whole. (As a comparison — the figure was R430,000 in the national economy, R507,000 in industry, and R344,000 in machine building).

The lowest wage levels were at electronics industry enterprises (R205,000).

The highest wage levels were at shipbuilding industry enterprises (R448,000).

**Import-Export Dynamics for Jan-Jun Analyzed**

*MM1608091995 Moscow ROSSIYSKAYA GAZETA (Weekend Edition) in Russian 12 Aug 95 p 4*

[Article by Dmitriy Pyro: "We Can Do What We Like, But We Are Buying Half"]

[FBIS Translated Text] The analysis of Russia's economic situation in the first six months of 1995 conducted by the Economic Situation Center at the Russian Federation Government shows that domestic output is only providing for half of the retail commodity turnover in the country. At the same time, dependence on imports in the provision of commodity resources for the consumer market has been continuing to grow.

As figures from a selective investigation of the business activity of retail trade enterprises show, one in three bosses specializing in trade in nonfood durables and alcohol and tobacco products noted that most of the commodity turnover is accounted for by imported goods. And one in four of those involved in the sale of food gave the same answer to this question. However, all this is visible to the "naked" eye, both in the provinces and in the capital. But no doubt it is not worth being hasty with conclusions as to whether this is a good or a bad thing. After all, ultimately only a person who is very far removed from real life will insist that an abundance of commodities should be given up to gratify jingoism, and that imports should be squeezed out and our own, domestic goods, albeit of inferior quality, be put in their place by force.

Incidentally, this thesis is also confirmed by data from another study of retail trade enterprises. Despite a certain reduction in the proportion of optimistic assessments and forecasts as compared with the same period last year, positive processes by and large prevail in trade. Of all those polled, the proportion of bosses who noted an increase in receipts of commodity resources, an intensification in sales, a growth in the variety of goods, and an improvement in the financial situation exceeded by five to 10 times those who only see the negative side of what is going on.

However, no one intends to deny that the situation is cloudless [as published]. Indeed, investment activity in trade is poor. Only 4 percent of enterprises researched are investing in the creation of new enterprises, 11 percent in enlarging warehouses and trading premises, and one-fourth in the modernization and renewal of equipment.

A fundamentally new situation has taken shape this year in foreign trade too. Whereas even last summer exports increased by virtue of quantitative growth, and the drop in contract prices was compensated by the volume of

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supplies, now the volume of output sold abroad has slowed down significantly. At the same time, contract prices have been going up significantly, their index totaling 1.17 (as compared with last year's 0.97 and 0.78 in 1993). Experts believe that it is a long time since we had such favorable conditions for foreign trade.

Russian exporters are increasingly giving preference to supplying countries in the far abroad. Evidently there is no need to name the reasons. The main one is solvency. Incidentally, the significant growth in exports this year is attributed primarily to the favorable situation that has taken shape on world raw materials markets. For example, the price of oil in the first half of the year went up by 21 percent as compared with 1994, the most important types of petroleum products by between 3 and 35 percent, and nonferrous metals by 35-40 percent.

Imports in the first six months, including all types of unorganized trade, totaled $24.8 billion. Goods worth 18.5 billion were imported from the far abroad, and 6.3 billion from the near abroad. "Regular cross-border imports" are assessed at 15 percent of total imports of goods into Russia.

The proportion of food purchased from countries in the far abroad has remained at last year's level — around 17 percent. However, its total quantity has fallen against a backdrop of a general rise in prices. In particular, the price of sunflower oil has almost doubled, raw sugar has gone up by 35 percent, and coffee by 38 percent.

The strengthening of the ruble is bringing about a decrease in the profitability of exports. The greatest problems are emerging with exports of goods which have a domestic price that approaches the world price. The introduction of a "currency band" should ease the exporters' position somewhat. But in the face of a continuing pretty steep rate in the growth of domestic prices, the speed at which they are approaching world prices will increase and the range of goods whose prices are close to world prices will expand.

**Alcohol, Tobacco Anti-Smuggling Efforts Intensify**

*MK1608074095 Moscow SEGODNYA in Russian 12 Aug 95 p 2*

[Report by Svetlana Lolayeva: "The Government Intends To Activate Its Fight Against Smugglers. The Introduction of Excise Stamps and the Abolition of Preferential Duties Will Be Followed by Other Measures"]

[FBIS Translated Text] The government continues with its efforts to put the alcohol and tobacco market in order. According to INTERFAX, as early as at the beginning of September, the measures that the cabinet intends to use against smugglers will be made public. A government commission, headed by Yakov Urinson, first deputy economy minister, is working on these measures. In his words, however, there is no "emergency" about the commission's activity: "Normal" work is going on, aimed at improving the collection of taxes, revenues from customs duties, and excises.

At a May news conference, First Vice Premier Anatoliy Chubays said that estimated budgetary losses due to smuggling, privileges in foreign economic trade, and a decline in domestic alcohol production — which does not stand competition with imported liquors — amount to tens of billion dollars. Calculations made by experts show that the smuggling of goods subject to excise duty, before excise stamps were introduced, accounted for 50 to 80 percent of the total volume of sales on the market. In their opinion, although the institution of excise stamps did improve the situation, it failed to change it in a radical way: The amount of smuggled tobacco and alcohol products continues to remain rather significant.

Possibly, the situation will change more radically after the amendments and supplements to the administrative, criminal-procedural, and criminal codes, which have been adopted by the State Duma only in the first reading, are finally passed. They envision both administrative (penalties for making and selling alcohol and tobacco products without excise stamps; confiscation of such goods) and criminal (imprisonment for up to several years) punishment of violators.

Abolition of privileges in foreign economic activities is expected to provide an important source of budget replenishment. It was estimated that nearly 80 percent of imported tobacco and alcohol products were imported by organizations that had been given preferential terms in foreign trade, such as sports organizations; since 1 July 1995, however, their privileged position has been abolished. In Mr. Urinson's words, it was these privileges that hampered the development of efficient measures against the smuggling of excise goods. A rather serious barrier for smugglers, however, is also the Law "On State Control Over Production and Turnover of Ethyl Alcohol and Other Alcoholic Drinks," passed at the end of the spring parliamentary session. It will be recalled that this law — authored, among others, by Sergey Glazyev, chairman of the State Duma Committee for Economic Policy — places the production and distribution of ethyl alcohol under rigid state control, using licensing and fixed quotas, and establishes the maximum volume for alcohol imports. The share of imported products in the total volume of alcohol sales in Russia should not exceed 20 percent, of which natural wines and drinks with ethyl alcohol content under 20 percent should account for no less than 80 percent.

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Mr. Urinson did not specify what measures are planned to control smuggling, but supposedly it will not come to instituting a state monopoly on vodka and tobacco products. Most probably, this means that there will be a new rise in excise and import duties. Thus, common people will have to pay for the government's fight against smugglers.

**Agriculture Ministry Buys Wheat From Abroad**

*MM1608081495 Moscow IZVESTIYA in Russian 15 Aug 95 p 1*

[Unattributed report: "Businessmen Expect 'Good Price' for Wheat"]

[FBIS Translated Text] An AEN correspondent has learned from the Ministry of Agriculture and Food that commercial structures have bought 2 million tonnes of food wheat abroad and delivered it to Russia for storage. According to experts, the price of this wheat will rise to 1 million rubles per tonne in early November.

**Dealers, Not State, Will Buy Grain Harvest**

*MM1508195295 Moscow TRUD in Russian 15 Aug 95 p 2*

[Article by Yelena Berezneva: "Harvest-95: How Much Grain Do We Need"]

[FBIS Translated Text] The government and eminent Ministry of Agriculture and Food officials reassure us by saying that the Russian peasant will obtain 70 million tonnes of grain, including 30 million tonnes of wheat, all the droughts notwithstanding. This grain will be more than enough to sustain us. What is more there will be some left for seed and mixed feed.

But the south, particularly Rostov Oblast, is yelling its head off. In Rostov Oblast one hectare is producing no more than 18 quintals of grain and at the end of the harvest campaign it promises to be 16.5, almost half last year's figure. Last year the Don yielded 5 million tonnes, now God willing it might stretch to 3 million. But that 3 million still has to be brought in. Yet at the end of the main harvest campaign of the year, just like at the beginning, there are still holdups with fuel and there are no spare parts.

The neighboring Kuban has the same troubles as do the Chernozem Region and Orenburg Oblast. The fields of Orenburg Oblast have been dried out by the kind of hot spell that people say has only been seen twice in the last 50 years — in 1955 and 1975. Over 1 million hectares of crops have died beyond hope of salvation. In a number of rayons every hectare has produced at most three or four quintals of grain. And the peasant is obtaining these crumbs with blood and sweat. Previously over 20,000 harvesting machines would work on the harvest campaign in the fields, now less than half that number remain. And they are all on their last legs.

We do not know which banks are stashing away the trillions of rubles that the countryside has been assigned by the state budget this year, only the countryside has failed to receive even half the appropriations.

In the southern part of Ulyanovsk Oblast ears of grain have not even set. A few days ago it became known that the oblast agricultural administration is preparing documents to **write off dead spring crops.**

Countrywide **less than half the total area of grain has been harvested.** Moreover, beyond the Urals in Siberia, on whose grain the government was relying so much, the harvest campaign is proceeding with great difficulty. The Russian Federal Service for Hydrometeorology and Environmental Monitoring points out that in August harvesting conditions in the Urals too are worse than the perennial mean. The air temperature there promises to be one or two degrees below normal while the amount of precipitation will exceed the norm. In the southern Volga, the majority of Rostov Oblast, and eastern Stavropol Kray the late crops' moisture supply will be inadequate throughout most of August. Thus, there is a big questionmark hanging over a 70-million tonne harvest.

But Russian peasants now have another headache. You cannot revive dead crops, you cannot argue with nature, **but does their native country need even the present, small grain harvest?** Rostov Oblast has still not received a single ruble for grain procurement for federal stocks. Moreover, nor is there any funding for grain procurements for regional stocks. And country people are pondering whether it is worth waiting for the state's manna from heaven or whether they should "bank" on businessmen. Especially since the latter are offering prices 50-100 percent higher than the government.

This difficult year there is effectively no food grain on the Don — it is all feed grain. One kilogram of Class III hard wheat is going for 480 rubles [R]. One liter of solar oil cost R1,000. Are these 480 "worthless" rubles really money? Considering that even before the harvest campaign the harvest was set aside for these selfsame businessmen in return for fuel and lubricants and spare parts, there is no need to wait for the government's money.

In Orenburg Oblast the harvest campaign has been under way for over a month now and by 5 August contracts had only been concluded to supply 150,000 tonnes of grain to regional stocks. Yet the oblast needs 400,000 tonnes.

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The businessmen are canny people. They know that **world grain prices are on average $180 per tonne.** Grain can be bought from Russian peasants for R400,000, R500,000, or at most R700,000 per tonne. And that is what they are doing. While federal stocks have acquired just 0.5 million tonnes. And regional stocks have also just received crumbs. A reasonable question arises: **In whose hands will the motherland's granaries** from which the authorities intend to feed their subjects be? The answer is obvious: **in the hands of commercial structures.** They dictate our prices. You mark my words, in fall or winter a loaf of bread in the stores will cost R3,000 or more. And local budget subsidies will not help. Once again the peasant will get a one-sixth share of this loaf at most. And there will be a businessmen (several of them) who will dictate terms to the government: They will say, grain is cheaper abroad, but ours is costly and there is not much of it. And the government, which does not own the granaries of the motherland, will have to pony up in dollars.

The authorities, never mind the peasants, do not have the golden key to these granaries.

Incidentally, the government's opponents are evidently right nonetheless when they say that Russia will now have half the grain it needs. In order for the country's population to have a normal food supply, it is really necessary to have one tonne of grain per person every year. Needless to say, no one will eat this tonne in the form of bread and pasta. But that quantity will ensure a normal level of livestock farming production. That is, a tonne of grain, to put it simply, is consumed in the form of meat, milk, and eggs.... Consequently, a population of almost 150 million should have almost 150 million tonnes of grain a year. You know that in the public sector the number of livestock has halved, on the other hand there has been an increase in the number of cattle and ungulates in the private sector. And since the private farmer does not cultivate grain crops, the state should also be concerned about feeding cows and hogs in citizens' private plots. Or is it now up to the population itself to feed the population?

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## International Affairs

### Deputy Minister To Visit Zagreb, Belgrade

*LD1508152695 Moscow INTERFAX in English 1249 GMT 15 Aug 95*

[FBIS Transcribed Text] KIEV, August 15 (Interfax-Ukraine) — Ukrainian Deputy Foreign Minister Vladimir Khandogu will visit Zagreb and Belgrade later this month to advance his country's proposals for settling the Yugoslav crisis, Ukrainian Foreign Ministry spokesperson Natalya Zarudnaya said in Kiev Tuesday.

At the recent London conference of the Contact Group of foreign ministers (Russia, the U.S., Britain, France and Germany) also attended by representatives from those countries whose peacekeepers are in the former Yugoslavia Ukraine offered to mediate the talks between the rival Bosnian parties. Ukraine also said it was prepared to arrange for their negotiations in Kiev.

Zarudnaya said Ukraine was interested in resolving the conflict, for instance in lifting sanctions from the former Yugoslavia. She said the Ukrainian Danube Shipping Company had sustained heavy losses from sanctions against Yugoslavia. "The sanctions have upset shipping on the Danube," Zarudnaya said.

In particular she noted the fact that Ukraine was absolutely impartial and would give preference to neither party to the conflict.

### Commission's Santer Welcomes Kuchma Reform Effort

*LD1508211195 Kiev Radio Ukraine World Service in Ukrainian 1800 GMT 15 Aug 95*

[FBIS Translated Text] European Commission President Jacques Santer has expressed his full support for Ukrainian President Leonid Kuchma's course. In a letter to Leonid Kuchma, Jacques Santer said:

The European Commission has watched with great interest the latest political developments in Ukraine. The signing of the constitutional accord between the parliament and the president, in our view, is a resolute transition toward the establishment of a constitutional order in Ukraine. I welcome this move and would like to emphasize my support for your efforts in the conduct of political reform by means of negotiations within parliamentary democracy.

The European Commission is also ready, in necessary, to render assistance in the preparation of a new draft of the Ukrainian constitution, the letter added.

### Vice Premier Discusses Ties With Swedish Minister

*LD1608102995 Moscow ITAR-TASS in English 0855 GMT 16 Aug 95*

[FBIS Transcribed Text] KIEV, August 16 (Itar-Tass) — Although Ukrainian-Swedish relations are in the initial stage of their development, the two countries have a strong potential for cooperation, said the Swedish Minister for aid to developing countries and cooperation with the countries of Central and Eastern Europe, Pierre Schori, at a meeting with the Ukrainian Vice-Premier Roman Shpek held in Kiev today in the framework of an official visit to Ukraine by a Swedish government delegation.

The Ukrainian Vice-Premier said that Ukraine hopes for Sweden's political support to Ukraine's efforts to become a member of the Council of Europe in 1995 and that the Swedish parliament will ratify an agreement on partnership and cooperation between Ukraine and this influential European organisation.

On the same day an official ceremony of signing inter-government documents was held in the Ukrainian Foreign Ministry. In particular, the sides signed an inter-government convention preventing double taxation and tax evasion and an agreement on mutual protection of investments.

### Panel Chairman Urges Suspension of Ban on Russian TV

*MM1608102595 Moscow PRAVDA in Russian 16 Aug 95 p 1*

[Unattributed report: "Television Is Political Phenomenon"]

[FBIS Translated Text] The Ukrainian Supreme Council Subcommission for Television and Radio Broadcasting has called on the State Committee for Television and Radio Broadcasting to suspend the order on relays of Russian Public Television's Channel One. In the opinion of Subcommission Chairman Serhiy Aksyonenko, the Kiev television bosses' decision is leading to heightened tension between eastern and western regions of Ukraine and exacerbating the language problem. All this will not promote an improvement in relations with Russia, it will strengthen the information blockade against the Ukrainian population. He also believes that the order will result in the galvanization of national-chauvinistic forces, the restriction of citizens' rights to choose their sources of information, and a deepening of the breakdown in spiritual and cultural ties between the Ukrainian and Russian peoples.

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## National Affairs

### Kuchma Approves Presidential Control Regulations

*LD1608103295 Kiev UNIAR in Ukrainian 0715 GMT 16 Aug 95*

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma has issued a directive, approving regulations on the presidential control service. Under the directive, the service will have a staff of 25. The document provides instructions on other procedural matters.

The service is set up to keep the president informed on the implementation of his decrees, directives, and instructions.

### Official Views Nuclear Safety System, Bodies

*WS1508115095 Kiev KYYIVSKA PRAVDA in Ukrainian 10 Aug 95 pp 1, 2*

["Exclusive" interview with Oleksandr Smyshlyayev, deputy minister of environmental protection, by H. Pyvovarov; place and date not given: "There Are Controlling and Regulating Bodies, But Is There Safety?" — first two paragraphs are KYYIVSKA PRAVDA introduction]

[FBIS Translated Text] France, with its heavy nuclear industry, has succeeded in its efforts to persuade its residents to regard AES [nuclear power stations] calmly and without superstition. Its experience proves that a well-considered nuclear policy, open about the secrets of safety and danger stemming from operation of such power stations, can win people's trust. It is not the case in Ukraine, though. Following the Chernobyl meltdown, everything to do with the "peaceful" atom provokes objections and protests. How can we make Ukrainian nuclear power stations and other atomic facilities safe places? This is the topic of the exclusive interview given to KYYIVSKA PRAVDA by Oleksandr Smyshlyayev, Ukrainian deputy minister of environmental protection.

The country's "chief nuclear controller" is 42 years old. He was born in the Urals. Oleksandr Smyshlyayev graduated from the Power Engineering Institute in Moscow. Following graduation, he was sent to the Chernobyl Nuclear Power Plant, where he worked his way up from a technician servicing auxiliary turbine equipment to deputy chief engineer for operations issues. He commissioned the station's first and second units. In 1987, he was offered a job at the former USSR Ministry of Nuclear Power Engineering. In 1992, when Ukraine started to establish management bodies in its nuclear industry after the collapse of the Soviet Union, he moved to Kiev to head the Administration of Atomic Power Stations With RBMK-type Reactors of the former Ukrainian Atomic Energy Industry Committee [Ukratomenerhoprom]. After that, he went to work at the Ukrainian State Committee for Nuclear and Radiation Safety shortly after it was established. In 1994 he was appointed deputy chairman of the State Atomic Supervision Committee [Derzhatomnahlyad]. Since this past March, following the committee's reorganization and its incorporation into the Environmental Protection Ministry system, he has worked as first deputy minister and head of the Administration of Nuclear Regulation in Ukraine. He is married with three children.

**[Pyvovarov] Let me ask you as an expert and one of those people who shape and are responsible for the "nuclear order" in our country: Can our atomic power stations be as safe as their Western counterparts?**

[Smyshlyayev] Not only can they, they must be safe. We are seeking to make safety levels at our stations acceptable for the population, steadily reducing risks connected with their operation. Unlike our country, people living in the developed countries are not afraid of atomic facilities. They feel comfortable living near them. This attitude is a result of the huge work done to ensure safe operation of nuclear plants, as well as complete frankness and openness about their characteristics and condition. In those countries, anyone can visit such plants and be sure that their management will provide extensive information without concealing any details.

You asked whether we can create this kind of nuclear "climate" and I responded that we can and should do that — given the fact that we have national examples of such safety. I mean by this military nuclear technologies that are no worse than the most advanced Western ones.

**[Pyvovarov] So, what do you think needs to be done to achieve a sufficient safety level at our stations?**

[Smyshlyayev] Of course, it is difficult now to compare safety levels at U.S., French, or British nuclear plants to Ukrainian stations, whose nuclear reactors were built in the 1960-70s. Even though both Ukrainian and Western reactors were built based on the identical technical and engineering principles, ours lose out in two things: Quality and the culture of operation. Today, should we decide to implement the program of Western super modern, super sophisticated, and super safe nuclear energy production, this move would be immediately affected by the culture and level of our technologies.

**[Pyvovarov] Is this to say that with our economic situation and technological progress — even if we invest all of our efforts and money in this sphere — we will not catch up with the West soon?**

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[Smyshlyayev] Let me put it the following way: Those who do nothing have nothing. Our country has recently done a lot in this sphere. We have adopted laws, norms, and regulations on nuclear safety, laying a legal groundwork for operating and developing atomic facilities. These laws have been thoroughly and comprehensively examined. We now have the concept of nuclear safety and radiation protection. I would underscore its organizational side, comprising clear division of authority and responsibility spheres for "nuclear" institutions. We also have the State Atomic Committee [Derzhkomat], a body supervising atomic plants; its operational organizations — the stations responsible for nuclear and radiation safety of their facilities; and an inspecting body, the Main State Nuclear Safety Inspection. Finally, there is our subunit, the Administration of Nuclear Regulation, once independent, and now part of the environmental protection system. It performs regulatory and control functions.

**[Pyvovarov] Is there no duplication here?**

[Smyshlyayev] No, there is not. As I said, the system is pretty clear and all the spheres are defined and divided. We, for example, are responsible for devising the legal basis for construction and operation of nuclear facilities, granting operating licenses to nuclear entities, and at the same time enforcing safety regulations at them that were specified in the licenses.

**[Pyvovarov] How do you enforce them?**

[Smyshlyayev] This is a good question. Please recall what we had in the past: When a newly constructed facility was accepted for operation, a state commission used to sign a document stating this fact. The document was also signed by a representative of nuclear safety institutions. Now, it will be different. To ensure that the degree of danger of atomic power plants, nuclear facilities, and other sources of ionic irradiation pose no threat to the state and people, this danger will be specified in a license given by our service. Licensing of dangerous nuclear facilities constitutes a completely new approach to the issue of their safety. Obtaining a operating license is a pretty complicated task: The whole effort should be preceded by the assessment of nuclear production that would document that such a production poses no threat to people and the environment.

**[Pyvovarov] Do you cover all of the Ukrainian nuclear facilities?**

[Smyshlyayev] Except for the military ones. Ours include five atomic plants, two research reactors in Kiev and Sevastopol, tens of thousands of other nuclear facilities, and hundreds of thousands of sources of ionic irradiation. All of them should obtain a license.

**[Pyvovarov] What positive changes did the Derzhatomnahlyad's reorganization bring in this context?**

[Smyshlyayev] Although opinions about the expediency of the incorporation of this body into the Environmental Protection Ministry system are mixed, and debates on this issue have not yet cooled down, a positive result that I see in this move is that we now find it much easier to execute efficient control. The Derzhatomnahlyad system comprised five regional inspections, each of which covered several oblasts. After we became part of the Environmental Protection Ministry, we set up departments of radiation safety in all oblast offices of this organization. From now on, they will grant licenses and execute control over radiation sources in their area. To show the significance of such a comprehensive system, let me cite an example of such a seemingly "non-radiation" zone as Trans-Carpathian Oblast. It is very important to control all "radiation" cargoes coming to and going out of Ukraine through this western stronghold of our Republic.

**[Pyvovarov] How would you rate safety at our nuclear power plants?**

[Smyshlyayev] In our country, there are now 14 operational reactors, 10 of which are VVR [water-moderated] type and two are RBMK, or, as they are sometimes called, Chernobyl reactors. It stands to reason that different reactor types require different approaches. As VVRs are not yet obsolete, we continue to assess their safety. However, our methods here are not as they used to be in the Soviet times. After we analyzed some former safety norms, we saw that they are not comprehensive enough. This is why we have adopted principles used throughout the world. Based on those principles, practically all VVR reactors should undergone various degrees of modernization or reconstruction. Their automatic control and operation systems, cable products, and fire safety devices should be replaced with more advanced equipment.

Things are more complicated with the RBMK reactors. I would not like to raise here the issue of Chernobyl plant's shutdown, something that the Western countries press for. Let me approach the use of Chernobyl reactors as a nuclear expert. Can we continue to exploit them? Today, we allow only one year for their operation. [as published] The Chernobyl facility has to put together a report on its safety situation, which we will use to make a decision regarding its further operation. The experience of Russian and Chernobyl RBMK reactors shows that after certain modernization, reactor No. 1 could remain operational in 1995-1996; and after

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replacement of the reactor's technological channels, its life can be extended to 20 years.

The problem of the newer No. 3 reactor is a different story, as it is positioned near the "sarcophagus." Even though its technical condition allows to operate it until the year 2000, its fate will depend on how the problem of a "shelter" for reactor No. 4 is resolved.

**[Pyvovarov] At the beginning of our conversation, you spoke about tens and hundreds of thousands of dangerous nuclear facilities and sources of ionic irradiation in Ukraine. What kind of control will be established over them? What role will your organization play to execute it?**

[Smyshlyayev] We have a problem with the Kiev-based reactor at the Institute of Nuclear Research. On the one hand, it was built a long time ago and its equipment is obsolete; on the other hand, scientists desperately need this reactor — it is used to make some radioisotope medicine. We are evaluating it right now to establish whether its operation is necessary from the technical and social point of view, as it is located in a big city that once suffered from radiation.

There are no problems with the Sevastopol reactor used for training purposes.

Other dangerous facilities belong to the system of "Rodon" enterprises. They engage in recycling and burying radioactive waste. All of them should make relevant reports on their nuclear and radiation safety and submit them to our administration so that we can grant them operating licenses.

The same approach is applied to entities utilizing ionic sources. As in the past, the sanitary and epidemiological service of the Health Care Ministry will oversee them, while the Interior Ministry will continue to grant permits for purchasing such sources and monitoring their storage facilities. From now on, however, we will also participate in this work, giving licenses permitting use of such sources from the perspective of their safety for the environment and people.

The world is full of facilities presenting radiation menace. This is an inevitable cost of technological progress. And it is important that we not impede their appearance, but ensure active and efficient control over them, making them friendly for all organisms living on Earth and nature.

### Thermal Plants Proposed To Replace Chernobyl

*WS1508131395 Lvov INFOBANK in English 0730 GMT 15 Aug 95*

[From the "News Service" feature]

[FBIS Transcribed Text] Kiev — The Association of Energy and Electric Engineers of Ukraine submitted an alternative concept for the substitution of power-generating capacity of the Chernobyl station. It was proposed to develop nuclear and thermal power plants in Ukraine instead of the replacement of the Chernobyl station with a steam-gas plant, an idea favored by the Ministry of the Environment. The concept is aimed at the utilization of domestic power sources and seeks to decrease Ukraine's dependence on imports and hard-currency costs of the energy sources and equipment, improve the environmental condition, keep the existing and create new jobs, said Oleksandr Dupak, Vice President of the Association. The substitution of the Chernobyl station is to be carried out in several stages. At the first stage, in the drafters' opinion, it is necessary to put the station out of operation and perform an environmental cleanup. Then the concept proposes to launch two additional VVER-1000 reactors at the Rivne and Khmelnytskyy nuclear power stations. The capacity of thermal stations could be increased through their modernization and rehabilitation, as well as the rehabilitation of machine-building and coal-mining enterprises. The implementation of the concept is possible only with financial and technological assistance from the G-7 and the European Union.

### Nikolayev Plant's First Power Unit Resumes Operation

*LD1508203995 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Aug 15 (Interfax-Ukraine) — The 1st unit of the Yuzhno-Ukrainski nuclear power plant in the Nikolayev region is now working at a nominal capacity after being recommissioned Monday morning, the man on duty in the Ukrainian state committee for atomic energy told Interfax-Ukraine.

The unit had been under repair since August 10 following a stoppage during routine operations.

The incident is marked as zero on a seven-point scale by the International Atomic Energy Agency.

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## Economic Issues

### Finance Minister Details Specifics of Work

*AU1408155895 Kiev URYADOVYY KURYER in Ukrainian 10 Aug 95 p 3*

[Interview with Finance Minister Petro Kuzmych Hermanchuk, by Leonid Samsonenko in Kiev on 5 August: "It Is Better To Wear Old Clothes Than To Make New Debts"]

[FBIS Translated Text] [Samsonenko] Petro Kuzmych, only a few years ago you headed the Finance Ministry's administration in charge of circulation of money and securities, and already last year you were appointed as minister. What is it: A turn of fortune or an objective law?

[Hermanchuk] I would rather call it objective law. Both the president and the head of our government, when they select ministers, are guided by the principle that these posts must be occupied by specialists.

I have worked in the financial system since 1977, and I believe that I have knowledge and experience needed for this post.

[Samsonenko] I want to start our conversation with a global question. The structural proportions of production that took shape in Ukraine in the times of the former USSR do not conform to the new tasks confronting the country since achieving independence. It is no secret for anyone that these structural proportions do not ensure Ukraine's economic independence, do not contribute to competitiveness of its own production, and do not promote Ukraine's joining the system of world economic ties as an equal partner. The steady rise in prices of imported energy sources has made the unprofitability of much of Ukrainian exports even worse and has led to the deficit in the current balance of payments.

Do the government and Finance Ministry have a program for support, in terms of finance and credits, for priority branches of the economy?

[Hermanchuk] It now appears that everybody has realized that production is the main thing. Without it and without its derivative — the budget — the Ministry of Finance is superfluous. That is why it must promote the development of production and see to it that maximum profit is obtained. Our state badly needs receipts to the budget from production to ensure social protection of the population and support for the social sphere, defense, and so on.

You have absolutely correctly formulated the question about the inadequacy of the production structure. For four years we have been talking about structural changes, but it was not until last year that concrete measures started to be implemented. In particular, the Ukrainian president signed an edict on financial support for enterprises by way of reorganizing them or granting them credits. However, in my opinion, it is impossible to rescue everybody. The Ministry of Economy and the commission in charge of reorganizing enterprises are now in the process of making lists of concrete enterprises that, after receiving corresponding assistance, will be able to manufacture products that will be competitive on international markets.

In implementing this program, it is primarily necessary to take into account the development of interstate cooperation and ties between enterprises of neighboring states. In particular, the Ukrainian economy is deeply integrated within the Russian Federation's national economic complex. That is why it was a correct and timely step on the part of Yevhen Marchuk who made his first working trip in the new capacity precisely to Russia — our greatest partner. Despite all the misunderstandings of recent years, Ukraine and Russia resemble to me Siamese twins who, by virtue of natural circumstances, cannot exist without each other. The governments of the two states must be well aware of this and seek close cooperation between Ukrainian and Russian enterprises on mutually advantageous terms.

In my opinion, the creation of financial-industrial groups is one of the ways to expand mutually advantageous cooperation. Take such a Ukrainian industrial giant as the Southern Machine Building Plant. Toward whom else is it expected to look if it receives 75 percent of assembly parts for its products from Russia? Similar examples could be cited for Russian enterprises. It is precisely through merging the two states' banking and industrial potential that these ties may not only be maintained but also raised to a qualitatively new level.

Today, people are tired of staying out of work and of being forced to go on unsolicited vacation. The efficiency of labor has also declined on a mass level: Two persons actually work, whereas the wages are divided among ten. That is why the government's main task today is to halt the decline in production and to create additional jobs.

[Samsonenko] However, these tasks may only be fulfilled after the payments crisis is overcome....

[Hermanchuk] The president has signed a decree "On Measures for Normalizing the Payments Discipline in the National Economy." Its purpose is to help us to emerge from the payments crisis and to normalize financial relations among commodity producers. I believe that we will manage to do this.

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[Samsonenko] Our national economic complex has also inherited from the past considerable territorial disproportions, which are characterized by considerable dissimilarities in the levels of economic and social development of regions, inferior branch structure of the majority of regional economic complexes, and unsatisfactory utilization of their natural resources and production potential.

People's deputies recently approved alterations and supplements to the law "On the Budget System of the Ukrainian SSR." Well, is it possible to adjust the existing disproportions with the help of a new mechanism for forming the nationwide and local budgets? What is the attitude of the newly appointed leaders of oblast state administrations toward the fact that deductions from taxes to local budgets that are envisaged by the current legislation on the budgetary system will not cover the expenditure part of the corresponding budgets? What measures will the Finance Ministry take to relieve tension in this sphere?

[Hermanchuk] Mutual relations between central and local budgets not only constitute a problem for Ukraine, but also for all states of the world. The Ukrainian budgetary system is based upon deductions from nationwide taxes for the purpose of balancing local budgets. Why do we do this? Primarily due to dissimilar financial possibilities of regions. Here, neither the government nor the Finance Ministry are to blame. The structure of production in those regions developed in the times of the former superpower, and centralized capital investments were used then. That is why we have such dissimilar financial conditions for development in Volyn, Donetsk, Zhytomyr, and Zaporizhzhya Oblasts.

The corresponding law adopted by the Supreme Council takes into account the existing regional socioeconomic disproportions. It is also very good that it will only become effective in 1996: As a rule, those who wish to voice their ideas or proposals on major new normative documents come forward after the documents have already been approved. That is why not just the legislation on the budget, but also the entire legislative foundation must be formed taking into account the time necessary for its implementation. The law adopted this year cannot regulate any relations involving the producer and the budget with regard to payments, taxes, and so on as soon as this year, but may only be implemented next year. People must amend it and prepare themselves for its implementation.

[Samsonenko] Petro Kuzmych, now that you, in your reply, have touched upon the budget for 1996, please say a bit more on the budget deficit.

My interest here is not abstract, because it is planned to cover the budget deficit for this year with the help of issuing and selling state securities. However, one knows from experience that securities may only cover the budgetary "hole" by just 10 percent, and the rest has to be covered with the help of credits issued by the Ukrainian National Bank or by those same commercial banks. In particular, such a credit amounting to 3 trillion karbovantsi was granted a few days ago to the state by the "Ukrayina" Commercial Bank. Thus, the state securities have failed to fulfill their functions?

[Hermanchuk] Work on forming the budget for next year started in May. In accordance with the Ukrainian presidential edict, every ministry, department, and local council was tasked with something. On 7 July, the Supreme Council also approved a budgetary decree determining main trends of the budgetary policy for 1996. Together with the law "On the Budgetary System of the Ukrainian SSR," they constitute the normative system of the future budget. An emphasis on social orientation of the budget, the creation of conditions that may lead to a macroeconomic stabilization of the budget, measures leading to the slowing down of the inflationary processes, a stabilization of material production, and an increase of its efficiency, and so on must become its main trends. By 1 September, we must prepare and submit our initial draft budget for the next year. Since everybody wants to receive more than to give, the bill will not be a perfect one right away. Frequently, things acquire a comical aspect: For example, in the initial stage of forming that same budget for 1995, claims for expenditure from ministries, departments, and local councils of people's deputies exceeded the volume of the expected gross domestic product. That is why the position of the presidential administration, government, and the Finance Ministry is that the budget must be realistic and must portend realistic revenue. Guided by the decree on the budget approved by the Supreme Council, we must handle yet another task: The budget deficit cannot exceed 6 percent of the GDP.

At the expense of what is the Finance Ministry going to cover it? In all civilized countries of the world, budget deficits are covered through issuing securities. Unfortunately, both in the times of the Soviet regime and in the times of independence, there was no source for covering the budget deficit in Ukraine. For the first time in our state's history, such a source has emerged after this year's budget was adopted. We dealt with the problem of issuing state securities in a very cautious manner, because examples involving USSR securities are still fresh in our memory. Unfortunately, not a single commitment either in the case of entrepreneurs or

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the population was fulfilled at that time. To avoid this from happening to our state's securities, we expand the securities market gradually (incidentally, it is planned to cover only a small part of the budget deficit through selling state securities). Also, the auctions at which state bonds are sold proceed successfully and are in demand. We intend both to issue more bonds and to expand the circle of their potential buyers: We plan to distribute securities not only among juridical, but also among natural persons. In addition to three-month securities, six- and nine-month ones, as well as long-term securities will soon appear in circulation.

In conditions of the acute economic crisis, the issuing of state bonds seems to me to be the only civilized way to attract the capital of both economic entrepreneurs and the population as a non- inflationary and realistic source for financing planned budgetary expenditure.

Foreign assistance promised by international financial organizations is one of the sources for covering the budget deficit, a source that has also appeared in Ukraine for the first time. One has to admit that, regretfully, our foreign partners have only fulfilled their promises by about 30 percent. That is why we are compelled to make use of the Finance Ministry's own funds to cover the expenditure that the budget expected to be financed from international financial injections. We are in a very difficult situation and therefore can only finance crucial projects.

[Samsonenko] Doesn't it occur to you that the [money] printing machine should be put into operation?

[Hermanchuk] There are many grievances and complaints. However, we must persevere and only subsist on what we earn. I do not think that things will get better for anybody if we print new banknotes. We have already gone through this. No matter how difficult it is going to be, we cannot return to those practices. Personally speaking, as a human being, I would endure the difficulties so that we could emerge from the inflationary spiral.

[Samsonenko] Until recently, the spending of budgetary funds and control over this process were the function of corresponding financial administrations that used to be the backbone of the Finance Ministry. With the creation of treasury offices, the ministry only retains the function of control over the spending of budgetary funds.

Doesn't this downgrade the ministry's role and is, in your opinion, the emergence of new structures that may require billions [of karbovantsi] for maintaining them justified?

[Hermanchuk] In my opinion, the creation of treasury offices is a civilized resolution to the problem of efficient management of budgetary funds. Unfortunately, until quite recently, they were excessively fractionalized throughout the budgetary system. To ensure daily control over more than 200,000 accounts of budgetary institutions and 11,500 budgets at various levels, it is probably necessary to have more than a dozen ministries. The treasury office is needed for control over actual movement of capital and its efficient expenditure. Its existence will reduce the need to transfer funds to local budgets on a daily basis and will rid us of the sorry practice of accumulating and maintaining money at deposit accounts. So it turns out that in some of them money is kept as dead capital and in others — is simply unavailable. It was impossible to influence the situation at the Finance Ministry.

Does the creation of the treasury office downgrade the role of the ministry? In the program that I read at the Supreme Council when my appointment was discussed, I saw and see now the formation of budgetary, financial, and taxation policy as the ministry's main task. I am categorically against Ukraine's Main Tax Inspectorate deviating from the fulfillment of its fiscal functions. It must draft laws. If one counts how many laws have been written in recent years and also takes into account the fact that these laws have been drafted by the same people, it looks like people write laws day and night and, in between, they also control the state's taxation system.

[Samsonenko] Your schedule, Petro Kuzmych, is not easy either. The very fact that our meeting takes place on Saturday [5 August] indicates that you do not really spoil your family with keeping it company.

[Hermanchuk] The work schedule is incredibly crowded. Every morning at about 0800 I meet with the premier. Therefore, I must come to the office at about seven in the morning to look through the papers once again and prepare for the meeting properly. I return from work at random hours.

It is difficult to tell in what capacity my wife feels my presence at home, but I am sure that she does not look on me as an outsider. Well, seriously speaking, I am lucky that my wife understands me very well. I am sincerely grateful to her for that.

[Samsonenko] I am grateful to you for the time you have spared for this interview.

### Kiev To Develop Oil, Gas Deposits in Black Sea

*LD1508175995 Moscow Mayak Radio Network in Russian 0900 GMT 15 Aug 95*

[FBIS Translated Text] It has turned out the Black Sea shelf, which is located in Ukraine's economic zone,

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is rich in oil and natural gas resources. According to estimates by the State Committee for Geology and the Use of Mineral Resources of Ukraine, the promising deposits of valuable power raw materials contain 1,240 billion cubic meters of gas and 215 million tonnes of oil. This is respectively one fouth and one third of all Ukraine's resources. Here is Viktor Sinenikov, our correspondent in Kiev.

[Sinenikov] The Black Sea oil and gas is indeed a gift for Ukraine, which is suffering an acute shortage of currency funds to pay for its own imports of power sources. Three out of seven prospected deposits are already being developed. However, Ukraine cannot exploit the coastal shelf properly, according to Bohdan Belyuk, deputy chairman of the State Committee for Geology and the Use of Mineral Resources of Ukraine:

[Begin Belyuk recording] Ukraine has to start as soon as possible prospecting and survey work on the shelf. The problem is that our equipment and technology.... [pauses] Our only organization Chernomorneftegaz [Black Sea oil and gas] can bore holes at sea depths of not more than 70 meters using its equipment. This work we are now putting out to tender will make it possible for us to attract investors. But we think that in addition to foreign investors there are our Ukrainian, Russian, and other investors. Because of the difficult economic situation, there is no time to be lost here. One should start this work as soon as possible. [end recording]

[Sinenikov] At present an international tender competition has been announced in Ukraine for the right to prospect for and process oil and gas on the shelf. The result will be made public by the end of the year. If the tender is a success, in three or four years the commercial extraction could start.

At the same time, oil riches could cause additional foreign political difficulties for Ukraine. The problem is that a part of the promising oil and gas-bearing territories are directly adjacent to the economic zone of Romania, in which there are quite influential political forces striving to revise the post-war borders. The discovery of new deposits here by no means can calm down their temper. As is known, oil, money, and politics are a quite explosive mixture.

In this context, the trip by the Ukrainian defense and foreign ministers to the southwest of the country, and their decisive statements that Zmeinyy island is an integral part of Ukraine, takes on a special significance. On this subject, Bohdan Belyuk, who was in the government delegation, said the following:

[Begin Belyuk recording] Near Zmeinyy island the Odesskoye deposit has been discovered. Its resources are estimated at about 12 billion cubic meters of gas. We think this is not disputed territory. This is really our territory. This is in the economic zone of Ukraine. A license has been issued to a British company J.P. Kelly, and, literally in September, they will begin boring work. [end recording]

## Privatized Enterprises' Efficiency Increasing

*WS1608114995 Kiev HOLOS UKRAYINY in Ukrainian 8 Aug 95 p 3*

[Report by Serhiy Lavrenyuk: "Privatized Enterprises Do Not Just Work, but Work More Efficiently"]

[FBIS Translated Text] One of the most urgent issues today is the efficiency of enterprises following their privatization. Opinions on this are very often contradictory. Everyone knows that all kinds of conclusions can only be proved as a result of a professional analysis. This was exactly why the International Financial Corporation came up with an initiative to conduct a second sociological survey. The survey was recently held and its goal was to answer the question: How are small privatized enterprises working? It was decided to cover small businesses because 1995 was announced as the year of small privatization. As is known, the Ukrainian president's edict "On Measures To Hasten Small Privatization in Ukraine" provides for conclusion of this process as soon as this year. As the process of privatization is considerably lagging behind schedule, the Cabinet of Ministers recently held a meeting at which Prime Minister Yevhen Marchuk made it clear: No adjustments [as published] will be accepted from representatives of local government institutions that drag their heels on privatization.

Table No. 1

| Selected efficiency indicators | Enterprises privatized on a competitive basis | Enterprises privatized on a non-competitive basis |
|---|---|---|
| Businesses that invested additional funds | 59 percent | 29 percent |
| Owners of premises | 37 percent | 18 percent |

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| Selected efficiency indicators | Enterprises privatized on a competitive basis | Enterprises privatized on a non-competitive basis |
|---|---|---|
| Rent additional space | 18 percent | 11 percent |
| Number of employees increased or remained unchanged | 91 percent | 79 percent |
| Work week hours increased | 45 percent | 18 percent |
| Intensity of work increased | 79 percent | 62 percent |
| Employees' income has grown | 61 percent | 47 percent |
| Average reinvested income | 45 percent | 22 percent |
| Positive changes in material base | 97 percent | 77 percent |
| Sales increased | 73 percent | 60 percent |
| Number of clients increased | 50 percent | 30 percent |
| Intentions of buying other enterprises | 29 percent | 8 percent |

Table No. 2

| Selected efficiency indicators | Enterprises privatized in 1992-93 | Enterprises privatized in 1994-95 |
|---|---|---|
| Businesses that invested additional funds | 39 percent | 35 percent |
| Rent additional space | 22 percent | 9 percent |
| Number of employees increased or remained unchanged | 87 percent | 80 percent |
| Working week hours increased | 25 percent | 21 percent |
| Intensity of work increased | 68 percent | 61 percent |
| Employees' income has grown | 67 percent | 42 percent |
| Average reinvested income | 38 percent | 26 percent |
| Positive changes in material base | 90 percent | 76 percent |
| Sales increased | 66 percent | 62 percent |
| Number of clients increased | 46 percent | 31 percent |
| Intentions of buying other enterprises | 20 percent | 10 percent |

In this context, the research conducted in six Ukrainian cities (Cherkasy, Zaporizhzhya, Luhansk, Lvov, Khmelnytskyy, and Uzhhorod) is very up-to-date.

So, 180 privatized enterprises received a questionnaire constructed in such a way as to underline main aspects of their pre- and post-privatization activities, as well as prospects for their further development. Just as a year ago, the survey's findings confirmed that after being privatized, enterprises work more efficiently.

Getting rid of state control, most enterprises have (73.9 percent) increased their sales of goods and services, won new clients, and retained — and sometimes increased — the number of their employees, with their profits continuing to grow. The second thing that has been underscored by the survey is differences in post-privatization activities between enterprises privatized on a competitive (auction, bids) and non-competitive (employees' buyout or rental) basis. Notably, out of the 180 surveyed enterprises, 34 were privatized by competitive methods and 142 by non-competitive methods.

The analysis showed that as in the past year, efficiency figures (see Table No. 1) of competitively privatized en-

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terprises were higher than those reported by businesses bought out by working teams.

At the same time, another interesting thing has become clear: Enterprises that have more experience in post-privatization activities work more efficiently (see Table No. 2).

Now, let us talk about post-privatization problems. Among the factors that impede normal work, the respondents named high taxes, lack of coherence and instability of the present legislation, and meager working capital. Unfortunately, compared with last year's survey, the "rating" of gravest problems has remained unchanged.

New problems have appeared, including sales and supplies, obtaining credits and licenses, corruption in government institutions, and racketeering. At the same time, it should be noted that since the previous survey, certain problems have become less acute. For example, only 10 percent of the respondents described problems with supplies as very serious, compared with 58 percent last year. The same can be said about problems stemming from lack of professional knowledge (2.78 percent and 28 percent, respectively) and racketeering and crime (17 percent and 3.8 percent).

Meanwhile, small privatization is under way. Already, it has its leaders. For example, as of 1 July 1995, 91 percent of small businesses (143 enterprises) were privatized in Khmelnytskyy, 82 percent (213) in Cherkasy, 75 percent (282) in Luhansk, 75 percent (358) in Mariupol, and 65 percent (670) in Zaporizhzhya. As we can see, some cities and rayons have not managed to confirm lists of enterprises subject to small privatization by this June. Instead, they were engaging in long debates about inefficiency of privatized businesses. On the other hand, the process of small privatization is drawing to a close, with privatized enterprises boosting their efficiency.

### State Property Fund Head Discusses Privatization

*WS1608091895 Kiev HOLOS UKRAYINY in Ukrainian 9 Aug 95 pp 6, 7*

[Interview with Yuriy Ivanovych Yekhanurov, chairman of the State Property Fund, by Chief Editor Serhiy Pravdenko; Deputy Chief Editor Leonid Brovchenko; Economics Section Chief Serhiy Lavrenyuk; Supreme Council Section Chief Anatoliy Kraslyanskyy; and Correspondents Network Section Chief Anatoliy Solonskyy; place and date not given: "Those Who Sell Their Certificates For a Song Will Deeply Regret It" — first paragraph is HOLOS UKRAYINY introduction]

[FBIS Translated Text]**Yuriy Yekhanurov, chairman of the Ukrainian State Property Fund, visited our editorial office recently. Chief editor Serhiy Pravdenko, Deputy Chief Editor Leonid Brovchenko, economics section chief Serhiy Lavrenyuk, Supreme Council section chief Anatoliy Kraslyanskyy, and correspondents network section chief Anatoliy Solonskyy participated in "round- table" talks with him.**

**[HOLOS UKRAYINY] Yuriy Ivanovych, all of us, Ukrainian citizens, are participants in the privatization processes. Therefore, we have a lot of questions regarding privatization.**

[Yekhanurov] Why only regarding privatization? According to our experts' estimates, up to 65 percent of letters that the State Property Fund receives are addressed to the department handling state property issues. So, only one-third of the letters address privatization.

**[HOLOS UKRAYINY] This being the case, could you specify the primary trends in the activities of the State Property Fund?**

[Yekhanurov] State property is exactly one of these trends. One must say that there are a great many unregulated issues in this area today. In particular, the Supreme Council has authorized the State Property Fund to conduct intergovernmental negotiations with Russia regarding our property on its territory and, respectively, the Russian property in Ukraine.

**[HOLOS UKRAYINY] What is the meaning of this?**

[Yekhanurov] For example, it concerns the property of our enterprises in Russia. "Ukrbud" corporation, for example, has property in Irkutsk Oblast and in Tyumen; a lot of money has been invested in the development of forestry in the Autonomous Republic of Komi. At the same time, let us say, the Vinnitsa-based road administration is a branch of the enterprise in Tver, Russia. In general, there are up to 200 sites — claimed by Russia — on the territory of Ukraine. Ukraine claims approximately the same number of enterprises on Russian territory. It is clear that it is very difficult to conduct negotiations on this subject. Therefore, so far we have specified six sites for making the property available to someone else. One of the most important sites is our embassy building in Moscow and the premises of the cultural-educational center on Arbat where the "Ukrayinska kniha" bookshop was located. At the time, these facilities were made available to Ukraine, but, understandably, legal procedures necessary to enshrine relations of property were not carried out.

We are soon going to launch similar negotiations with Moldova. Mention must be made that these issues are so complicated that much time is needed to only study all documents. For example, at the time, our enterprise invested in a health-protection site located on the Black

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Sea beach, Russia. It turned out, however, that after 1991 this site was given to a Russian ministry. The Russian State Property Committee agreed to discuss the issue regarding the return of this site to Ukraine, but a ministry has blocked a resolution of the issue.

**[HOLOS UKRAYINY] Yuriy Ivanovych, we would like you to describe in general terms what can become a foundation for the question regarding the return of property. Therefore, which option is regarded as a basis: Do you choose mutual exchanges of equal portions of property, or, so to say, will Ukraine have to give Russia all sites that were constructed on Ukrainian territory by investments made by Russian enterprises?**

[Yekhanurov] The primary condition is the opportunity to prove with documentation that a specified site on Ukrainian territory was built at the expense of a Russian enterprise. In addition, claims for sites constructed with funds allocated by the Russian Federation government itself and not by, for example, the government of the USSR will also be accepted.

**[HOLOS UKRAYINY] Could it occur that Ukraine will lose a considerable portion of its sanatoriums located on Ukrainian territory? They were very often built at the expense of funds allocated by enterprises.**

[Yekhanurov] It seems so at first sight; in reality, however, there are not very many claims.

**[HOLOS UKRAYINY] So, returning to the primary trends in the activities of the State Property Fund, let us discuss problems that emerge around the right to national property. As is known, there are also a lot of problems in this area.**

[Yekhanurov] Indeed, management of specific sites of national property is currently being transferred to provinces and vice versa. Sites of municipal property are becoming national property. The transfer of sites of the social sector to local bodies of power as municipal property is also topical and important. In addition, negotiations with a Crimean delegation addressing the division of property are being conducted with extreme difficulty. As is known, Ukraine has a single system of bodies conducting privatization, and heads of regional branches are nominated by the Ukrainian State Property Fund chairman by agreements reached at the sessions of relevant oblast councils. There are, however, two bodies in Crimea now: the regional branch of the Ukrainian State Property Fund headed by Oleksiy Holovizin and the Crimean State Property Fund headed by Oleksandr Kotelnykov. So, over two months, we have been working hard to establish a single structure.

**[HOLOS UKRAYINY] Could you be frank and say what this battle is about: wider sovereignty or Crimean property?**

[Yekhanurov] First of all, it is unclear why the Crimean Supreme Soviet introduced a moratorium on privatization at the very beginning, why it was totally opposed to privatization in Crimea to be carried out by the Ukrainian State Property Fund. The moratorium on privatization has at last been removed. So, a situation has emerged when, for example, the Ministry of Industry does not have any impact on a Crimean factory. The only body that can influence this factory is the local bodies of power. It is clear that this situation has resulted in chaos. At the same time, certain representatives of power bodies of the autonomous republic are making statements to the press that regional branches of the Ukrainian State Property Fund are conducting privatization that is in conflict with the interests of the people. The Ukrainian State Property Fund, however, has not yet privatized a single site in Crimea.

**[HOLOS UKRAYINY] Yuriy Ivanovych, could you say which sectors will not be privatized in at least the next 10 years?**

[Yekhanurov] First of all, forests. Forests are the national wealth of Ukraine, so they are not subject to privatization. Sites of importance for the entire nation and the defense industry will also not be privatized, even though enough examples exist in the world where private entities work for the national defense of their countries. In Ukraine, however, everything that is related to the Defense Ministry, the Ministry of the Interior, and the Security Service is not subject to privatization. One can also name many sites in the cultural and educational sector. As regards power engineering, there is a presidential edict regarding specifics of privatization and of structural reconstruction of this sector; it permits attracting investments into this sector. This being the case, it is clear that private capital will be invested in the power engineering sector. Railroads and the post office will remain the property of the state, and I believe that already the next generation will decide whether these sectors will remain state property.

**[HOLOS UKRAYINY] What about the social sphere, particularly the social sites maintained by enterprises?**

[Yekhanurov] First of all, I want to stress that our draft concept for privatizing sites of the sociocultural sector was approved at a recent meeting of the Cabinet of Ministers, and it was recently submitted for consideration to the Supreme Council. There is, however, another aspect. We recently held a conference called "Social Aspects of

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Privatization" at which the issue — why do we have today many industrial enterprises whose products are not in demand? — was discussed. On the one hand, it is clear that the world market does not look forward to having us, because its economic spheres were divided up long ago. However, to make world producers make some place for us, our products must be of high quality and reasonably priced. While some time ago certain producers here made efforts to dump their products on the world, the current dumping prices are higher than world prices. Why? Because the social sector is a burden to our enterprises, while foreign enterprises have no such commitments. To improve the situation, we have to resolve three issues: First, to remove sites of the social sector from enterprises's balance sheets and give them to local bodies of power as municipal property; second, industrial enterprises are paying for energy resources themselves — instead of the people — and this also affects the price of their products; and third, our enterprises employ an excessive labor force that considerably exceeds the those required for production of the current output of goods. At the same time, one must stress that crisis in Ukraine refers not to enterprises in general, but to large enterprises. So, everything rests on structural reconstruction. Therefore, the issue now is to make specific enterprises economic entities and let them operate independently. In addition, an agency for dealing with insolvent enterprises is being currently set up. This implies that the state intends to — at last — resolve its property issues from the viewpoint of their effectiveness and to decide what should be done with ineffective enterprises.

**[HOLOS UKRAYINY] Let us again address the issue of transferring the social sector of enterprises to municipal ownership. Can this generate money for the development of the social sector? Will this measure not lead to its complete collapse?**

[Yekhanurov] Naturally, there will be problems with money, but the World Bank has already drawn attention to this issue, and we hope that a draft project to give the social sector of enterprises to local bodies of power as municipal property will be financed within the framework of the World Bank's credit. In addition, there are plans to factor in this clause on spending when the 1996 budget is established.

[HOLOS UKRAYINY] Is it expedient to give the social sector of enterprises to local bodies of power as municipal property? Maybe it makes sense to privatize a few such sites?

[Yekhanurov] I fully agree with this proposition.

**[HOLOS UKRAYINY] Yuriy Ivanovych, we have so far discussed state problems, but one would also like to look at the situation from the view of an average individual: How will he and economic reform in general profit from privatization?**

[Yekhanurov] Naturally, the people will not profit much from the privatization certificates they hold today, but those who sell their privatization certificates for a song will deeply regret it. In addition, the market price of privatization certificates has considerably increased. I state this, because the Ukrainian Stock Exchange holds sales each Tuesday and we sell stock in enterprises for money: Results of selling stock in four ordinary enterprises showed that prices of stock increased by four-45 times. So, stock in our enterprises is after all genuine property. As regards dividends, it is clear that it is simply impossible to obtain high dividends from nonoperating enterprises. Such enterprises will have to operate in the future. In addition, we have plans to put a great number of interesting enterprises for sale at certificate auctions; thus, the people will have greater opportunities to invest their certificates. Activities of financial middlemen prove that this is a promising undertaking. This being the case, financial middlemen do not simply invest their certificates, but they very attentively study how enterprises operate. In connection with this, I want to state that only up to 15 enterprises have not triggered any interest. [as published]

**[HOLOS UKRAYINY] Another question makes our people anxious. As you said before, financial middlemen known among the people as trustees very often participate in privatizing enterprises. Therefore, it often occurs that they become owners of a controlling block of shares and dictate their will to a labor collective. There are, however, regulations, according to which interests of labor collectives have to be taken into consideration in the first place.**

[Yekhanurov] We consider these interests. When we begin to distribute stock in this or that enterprise, the first thing we do is to sell stock at face value to members of labor collectives and, in addition, on favorable terms: Property to the tune of 1.5 certificate, not one certificate, is sold to them. In addition, 5 percent of property is sold to the leadership of enterprises. Only after this do certificate auctions offer stock for sale. It is, however, clear that when a large enterprise is being sold, a labor collective cannot buy a controlling block of shares.

**[HOLOS UKRAYINY] This implies that every worker has a choice: Either he remains hired labor at an enterprise or becomes its joint owner.**

[Yekhanurov] You have touched on an extremely interesting subject. I thoroughly studied this issue recently and can say that there is a program for the so-called

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working owner. Its essence is as follows: Workers borrow money from a bank and buy stock in their own enterprise. Then each of them has an opportunity to buy this stock as personal property on credit at favorable terms. One must say that this is how an enterprise receives an extremely sizable amount of money. Therefore, if we today appeal to the people — "Folks, invest your money in your enterprises, make your production competitive!" — it seems to me that problems could be resolved to a great extent.

At the same time, however, I would like to draw attention to negative developments that regrettably occur at our collective enterprises. You know how a student thinks: "When I become a teacher, I will assign only the highest grades to all students." The same takes place in privatization. When a collective enterprise is established, its members often think that it is necessary to distribute everything — in the form of wages — among the members of a labor collective. Regrettably, I know of many cases when heads of enterprises were dismissed only because they channeled profits to replenish working capital or to purchase new equipment, but thye did not give all profits to workers as wages. There are always people who provoke members of labor collectives, particularly in closed joint-stock partnerships, to remove such leaders from their posts.

**[HOLOS UKRAYINY] However, this is an issue of economic education.**

[Yekhanurov] To a greatest extent, yes, but this does not change the situation. It is necessary to explain to the people that they should invest their money in their enterprises for the sake of the future.

Pension funds are another source of investments. Abroad, such funds are one of the most sizable sources of investing. As regards Ukraine, only draft normative acts addressing this issue are currently being discussed. A few nonstate pensions funds have been already established, but their operations are still illegal. They, however, imply considerable investment resources. Pension funds have money which can be invested in specific enterprises, because they pay money to people only when they retire. Hence, money which is temporarily idle must be put to work.

**[HOLOS UKRAYINY] The issue of confidence, however, emerges. The people have every reason to be afraid that this nonstate pension fund can disappear.**

[Yekhanurov] There is such a problem, but this does not imply that one should not look for additional sources of investments. For example, "Kyyivmiskbud" corporation began to issue securities, thus guaranteeing the selling of housing. When such an authoritative body as "Kyyivmiskbud" corporation begins to issue securities, Kiev residents who trusted this organization before state that they will buy them.

**[HOLOS UKRAYINY] In addition to "Kyyivmiskbud" guarantees, there are also guarantees provided by the Kiev City Council.**

[Yekhanurov] This is all true. What, however, prevents an ordinary enterprise from issuing similar securities to ensure its development? The point is that it is known that whoever — even one who has nothing — issues securities now, is smart and understands that issuing securities is a good business. Therefore, a director of an enterprise can issue securities to ensure any investment project and state: "Invest your money in our enterprise and we will produce competitive goods after equipment is changed." Regrettably, the majority of directors still do not understand this. Therefore, we again return to the issue of adaptation, but not of an ordinary individual, but of a leader of an enterprise. So, our work also addresses leaders of enterprises, because support for enterprises after they have been privatized is one of the trends of our work. Why dis we start all this? Because we want to make our leaders understand that it is necessary to learn. The current situation is as follows: A director who has been in office for 10-20 years believes that he already knows everything and blames the government — claiming that it is pursuing a wrong policy — for his enterprise being idle. Hence, our directors express a unanimous desire: Give us money from the budget and we will show how one must work. I would like to stress once again: When they issue such statements, they do not know how to issue stock and attract investments.

**[HOLOS UKRAYINY] Lately, there have been many, many rumors regarding violations in the activities of financial middlemen. What does the Ukrainian State Property Fund doing to decrease the number of such violations?**

[Yekhanurov] To my great regret, documents that existed to regulate activities of financial middlemen were very flawed. If we have a general look at the legislation that regulates the securities market, we will see that relevant laws meet our current needs only by 1 percent. Thank God, the State Commission for Securities and the Fund Market has been finally established, because no one in Ukraine was formally charged with supervising structures that collected money. The Ukrainian State Property Fund, however, oversees only those who are drawing property privatization certificates. By the way, after the activities of financial middlemen were inspected this year, we temporarily suspended several dozen licenses that had been issued to them. It is very good that the Supreme Council finally put operations

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using the people's money — carried out by financial middlemen — under the ban. I would like to stress once again: The securities market must be extremely and precisely regulated. Well, we have just begun to establish a system of independent registrars. Why is it needed? To rule out out another explosion of scandals that would then be connected with rights of stock holders, because Russia's experience shows that very often stock holders do not find themselves on a general list of a joint-stock partnership. Such situations emerge when an enterprise directly makes up such a list of stock-holders; therefore, it can remove any entity from the list. So, how can one prove anything? Therefore, independent registrars must not depend on enterprises.

**[HOLOS UKRAYINY] The pace of privatization is now being discussed frequently. They ask: Why on earth should one accelerate this process? They claim that they need to look around and to discuss issues with lawyers. This often cannot be done, because the exact time frame for privatization has already been specified.**

[Yekhanurov] The Ukrainian State Property Fund has not specified any time frame. This term is specified in the presidential economic program approved by the Supreme Council. Exactly this program specifies what should be done and when. In addition, there is the Law on Budget which envisages revenues from privatization. Interesting things, however, take place. For example, the Law on Budget was adopted on time, but there are no revenues from privatization. Why? Because the law is not being implemented and the presidential economic program is not being fulfilled. Let us only look at how lists of sites subject to privatization are being approved. Instead of being drawn up back in February, certain local councils have not even done this in July — not to mention the implementation of specific privatization programs. Who prevented them from doing this? Therefore, there are no relevant revenues for local budgets and consequently money is not transferred to the state budget. Wages, however, must be paid; and social programs should also be implemented. So, local leaders address the government and ask for money; they do this instead of selling at least one shop.

**[HOLOS UKRAYINY] Yuriy Ivanovych, to complete our discussion, could you name enterprises that improved their performance after privatization?**

[Yekhanurov] Yes, I can. There is such an enterprise as Kiev- based "Obolon" beer factory that, by the way, received certificate No. 1. Truth be told, there have been a few statements, including those at the Supreme Council, claiming that after privatization this enterprise had given up its position, but the initial study showed that this is not so: After privatization, "Obolon" beer factory's performance considerably improved. Other examples could also be provided: the ship repair factory in Kiev and "Nord" refrigerator factory, but I would like to say something else. One should understand that some time must pass before a new owner sees which way the wind is blowing. But due to the fact that an owner in Ukraine is still "unspecified" — as a rule, this is a labor collective — it cannot adopt cardinal decisions. Therefore, I place great hopes on the corps of directors in Ukraine, because, primarily, leaders of enterprises must be concerned about the future of their organizations. A full-fledged owner, who will soon emerge at our enterprises, will also have an interest in professional management.

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## Belarus

### Cultural, Air Agreements With Turkey Approved

*LD1608110695 Minsk Radio Minsk Network in Belarusian 0400 GMT 16 Aug 95*

[FBIS Translated Text] The Belarusian Cabinet of Ministers has passed a resolution on concluding an agreement between the Belarusian Government and of the Turkish Government on cooperation in the spheres of education, culture, and sport. Culture and Press Minister Anatol Butevich has been authorized to sign the agreement on behalf of the Belarusian Government.

The Cabinet of Ministers has also issued a resolution authorizing Rygor Fyodaraw, chairman of the State Committee for Aviation, to sign an agreement on air links between the Belarusian and Turkish Governments.

### Russian Media's Anti-Lukashenka Stance Criticized

*WS1508135795 Minsk ZVYAZDA in Belarusian 11 Aug 95 p 3*

[Interview with Presidential Administration Deputy Chief U. Zamyatalin, head of the Belarus Main Directorate of Sociopolitical Information, by V. Zhdanko; place and date not given: "Why Do We Need Russian Newspapers That Tendentiously Write About Belarus and Our President?"]

[FBIS Translated Excerpt] [Zhdanko] Many reporters, including those from Moscow, have expressed their opinions to the effect that the warning that you gave Russian publications are more an attempt to scare them and call them to order rather than a real threat to block their access to Belarusian readers. They believe that the threat will hardly be carried out.

[Zamyatalin] Why?

[Zhdanko] Because the Russian media would react to that kind of move on your part in a much more drastic way.

[Zamyatalin] They can do as they please, but in their own country. We categorically do not need a newspaper that tendentiously, pursuing specific political goals (and those goals are political!), writes about our president and the situation in our state.

[Zhdanko] You claim that articles about the Belarusian president, such as those published by KOMSOMOLSKAYA PRAVDA, are written to the order of the opponents of Belarusian-Russian integration. However, on the territory of the former USSR there are many other politicians who strive for reunification as strongly as Alyaksandr Lukashenka. Take, for instance, Vyachaslaw Kebich or Nursultan Nazarbayev, who promote the idea of a European [as published] union. For some reason, Russian reporters do not write about them with the same amount of irony and sarcasm.

[Zamyatalin] Irony is not the point; we are talking about impartiality. Impartiality can be represented by various methods, including irony, seriousness, or cynicism. However, the point is that certain papers dare to write about things which never existed and do not exist. For instance, who can confirm that Lukashenka has said "I feel a bit too big for Belarus." This is an absurd phrase. Nobody has ever said it; nobody has ever heard it.

[Zhdanko] Why do you not appeal to the courts? Why do you appeal to Russia's State Duma?

[Zamyatalin] We are not going to appeal to the courts because we imagine only too well the possible results of such a lawsuit against the media. In 1994 and 1995 out of a total of around 130 cases, the media only won some 20 percent. This vividly shows what courts are and what the current press is, as well as confirms the press' desire to be called "the fourth authority." Only in one case can the press be referred to as "fourth authority" — if it publishes unbiased reports. If it carries lies, it is no fourth authority.

[Zhdanko] Why did you appeal to the State Duma though, and not to Yeltsin's administration? Why did you not use diplomatic channels?

[Zamyatalin] I used diplomatic channels, too, including an appeal to Russia's Ministry of Press. Minister Karasin was presented with my letter.

[Zhdanko] However, the BELINFORM report only mentioned your letter to Grigoriy Seleznev.

[Zamyatalin] We simply did not consider it necessary to publish other letters.

[Zhdanko] Was Lukashenka aware of your intention to appeal to the State Duma?

[Zamyatalin] Do you think that this is relevant?

[Zhdanko] I do. This is a serious step, which may produce significant consequences. Is it possible that the head of state did not know about it? I presume you would not dare to undertake this kind of measure without coordinating it with the president.

[Zamyatalin] However, I believe that we should thank the president for giving us the opportunity to act independently, at least in certain aspects. Therefore, I think that the president learned about the appeal from newspapers. He never expressed his opinion on this issue, and I never asked.

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[Zhdanko] Your letter specifically refers to one newspaper — KOMSOMOLSKAYA PRAVDA. What other papers did you mean when you wrote about "certain publications from St. Petersburg and Moscow?"

[Zamyatalin] I meant a whole number of publications, including SEGODNYA, IZVESTIYA, and two papers from St. Petersburg.

[Zhdanko] Do you think that if those papers continue to write those kinds of articles, they may be denied access to Belarusian readers?

[Zamyatalin] This is absolutely unquestionable: We will do that. Neither do I think that the Russian leadership will express any kind of extremely negative reaction on our move.

[Zhdanko] What kind of reaction do you anticipate on the part of the Russian leadership and the Duma?

[Zamyatalin] I anticipate understanding.

[Zhdanko] Okay, but what can they actually do?

[Zamyatalin] I think the State Duma will not remain on the sidelines, given that it has addressed the issue of Belarusian-Russian relations a number of times.

[Zhdanko] They will probably issue some kind of political declaration, nothing more than that. One can exert influence on independent publications in Russia only in accordance with the law.

[Zamyatalin] I beg your pardon. Independent publications do not exist in nature. [passage omitted]

Our aim is quite simple: We should try to focus reporters' attention on the fact that their profession is for untapping their potential exclusively within the framework of impartiality. If they do not understand that, we will have to use power levers. This is an issue of the state's informational security, an issue of public opinion.

[Zhdanko] I think that there exist other methods to reach mutual understanding with the press and to exert influence on the latter. In my opinion, ultimatums are an extreme measure.

[Zamyatalin] Of course, such methods exist. However, what other measures can we undertake, given that the chief editor of one of the Moscow papers reacts to our remarks as follows: "If you don't like what we write, don't read it. Meanwhile, we are going to write whatever we want?" In my opinion, this is a cynical statement. Speaking in general, how can one measure the degree of that "want?"

[Zhdanko] This is what we have laws on the press for, both here and in Russia.

[Zamyatalin] Yes, and those laws determine reporters' rights and duties. They envision that reporters should verify information and that they are responsible for the truthfulness of cited facts.

**Ways To Utilize Redundant Nuclear Fuel Examined**

*LD1508195895 Moscow INTERFAX in English 1619 GMT 15 Aug 95*

[Report by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MINSK, Aug 15 (INTERFAX-West) — Belarusian leaders are to make a decision soon on how to utilize the 8,000 tonnes of propellant for the strategic nuclear missiles to be scrapped, a senior official of the Belarusian defense ministry has said.

According to the source, the U.S. Congress pledged to provide $8 million for this project and the elimination of 81 stationary launch pads for the "Krona" strategic missiles.

"The rocket propellant consists of two components, a fuel and an oxidant. The Americans are prepared to provide a mobile unit to burn the fuel with full ecological safety. As for the other component, the oxidant, the United States preserves it and keeps it under guard. The Belarusian budget does not have the money to finance that costly operation. The government tends to opt for utilizing the oxidant somehow," the source said.

The Belarusian military and scientists have reportedly devised an experimental unit to process the oxidant into nitric acid and its derivatives.

"According to preliminary computations by our military the use of the unit will yield no economic gains, because the costs to process the oxidant will be higher than the price of the end product," the Belarusian defense ministry official has said.

He said that the Belarusian leadership also wishes the Krona missile launch pads to be destroyed mechanically. "The U.S. defense Department has been notified of that," the source said.

He explained that three Krona-type launch pads had been destroyed in controlled explosions and the ecological effects of that proved very negative.

Under the agreement on the withdrawal of strategic forces from Belarus the launch pads should be destroyed by Russia, but the controlled explosions cannot satisfy Belarus for environmental reasons, the source claimed.

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The official said Americans suggested an alternative program and equipment for the hydraulic fragmentation of the concrete of the pads. The crushed pads could be used for economic purposes as gravel, crushed concrete and fittings, the expert concluded.

## Moldova

### Oil Production Treaty Signed With U.S. Company

*MK1608052495 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 9*

[AGENSTVO NEFTYANOY INFORMATSII [Oil Information Agency] report: "Moldova Plans To Produce Own Oil"]

[FBIS Translated Text] Moldova and the American Resources Development Company (Redeco) have signed a concession treaty on surveying and developing oil and gas deposits in the southern part of the republic. Under the treaty, the first well is to be sunk this September, and if the work is successful the republic will produce the first oil as early as year's end. Chisinau is planning to produce up to one million tonnes of oil per year. The total volume of Redeco's investment, conducting work in conditions of risk, may reach $27.5 million. Redeco undertakes to pay Moldova, as rent for the use of its mineral resources, 20 percent of its profit in the form of recovered resources or hard currency. Chisinau will have the right to buy the balance of the product at a 5-percent discount from world prices. Moldova Government Vice Premier Valentin Kunev stressed that the recovery of Moldova's own oil resources, as well as the construction of an oil terminal in the Danube flood plain (the settlement of Giurgiulest), is an attempt to "ease the republic's dependence on irregular and extremely costly deliveries of oil and petroleum products from Russia."

### Commentary Views Snegur's Pro-Romanian Stance

*AU1508155695 Chisinau INFOTAG in English 1930 GMT 14 Aug 95*

[Commentary by Vladimir Socor, "leading expert on Moldova at Radio Liberty-Radio Free Europe research institute:" "Major Political Realignment Looming"]

[FBIS Transcribed Text] Chisinau INFOTAG, 14/8/1995 — Moldova does not have an abundance of assets to sustain its independence and modernization. Now it risks losing one of the few major resources it has recently enjoyed: domestic political stability and civic consensus.

President Mircea Snegur resigned his membership in the governing Agrarian Democratic Party [PDAM], and is now depriving it of a parliamentary majority by takings its supporters out of the party, and seems to be on the verge of making an alliance with a pro-Romanian party which had been his nemesis.

In the process, Snegur appears to be embracing some of the Romanian-oriented groups' postulates. By coming out strongly in favour of renaming the native language Romanian (as it in fact is) in place of Moldovan (as the recently adopted Constitution and most of the native population calls it) the president is dividing the Agrarian Party and is preparing a political rapprochement with the Romanian-minded segment of Moldovan opinion.

The presidential camp is believed to be considering various scenarios for a dismissal or reshuffle of the cabinet of ministers or, alternatively, the dissolution of Parliament and new elections. Behind Snegur's actions lies a basic electoral projection. He intends to seek a second presidential term in the election scheduled for December 1996.

Parliament Chairman Petru Lucinschi and Prime Minister Andrei Sangheli are preparing to challenge him.

Sangheli controls important sections of the party's economic and political machine in the densely populated Moldovan countryside, while Lucinschi has influential supporters in the central mass media and some banking and foreign trade groups linked to parent business organizations in Russia.

Moreover, it is generally expected — rightly or wrongly — that in a presidential election Sangheli or Lucinschi would garner overwhelming support from the "Russian-speaking population," which comprises 35 percent of Moldova's population, as compared to 65 percent ethnic Moldovans, and tends to register a higher voting turnout than that of the ethnic majority.

The minorities bloc, should it materialize, may help defeat Snegur even in the first round. Because he is certain to lose in these areas by overwhelming margins, the president would need to garner three quarters of the ethnic Moldovan vote in order to win by a very narrow margin overall.

But Sangheli and Lucinschi probably have enough political strength to prevent such a strong Moldovan bloc from forming. And either of them could carry only one third of the ethnic Moldovan vote and still win the presidency, if also narrowly, in the first round.

Chisinau politicians and observers believe that the ethnic minorities will overwhelmingly prefer Snegur's rivals because of Snegur identification with, and ultimately leadership of, the Moldovan national movement in 1989-91, his temporary alliance with the Popular Front, his attempts to resist militarily the Dniester and Russian forces offensive in 1992, and his championing

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of economic reforms and a Western orientation which Moldova's "Russian-speaking" Communist and Socialist parties resent.

These perceptions of Snegur by approximately one third of the electorate are mostly inaccurate or unfair. Snegur has, as has the Moldovan political class in general, compiled a widely recognized record of ethnic tolerance, had to bow to open military aggression in 1992, has for the past four years been in conflict with the Popular Front, and has presided over Western-assisted economic reforms now starting to bear their first fruit.

Moreover, Snegur received strong support from the ethnic minorities when first elected president, running unopposed, in December 1991.

At that time Snegur was rightly seen as guaranteeing that Moldova would not unify with Romania (a prospect the ethnic minorities, in common with most Moldovans, feared), there was no party which would have mobilized the ethnic minority vote for another candidate, and there did not exist another candidate.

This time, however, there are potential alternative candidates, and a Socialist and a Communist party likely to help deliver the ethnic minority vote to those candidates by feeding the misperceptions about Snegur.

Those misperceptions constitute a political reality which Snegur has to take into account.

The president's hopes for re-election rested mainly on the Agrarian Party leadership's willingness and ability to restrain Sangheli and Lucinschi from running, or at least to deny either of them party support if he did challenge the president.

The party's chairman Dumitru Motpan, who is also a vice chairman of Parliament and, unofficially, the Agrarian king maker, and most of the party's Executive Committee and parliamentary group, appeared willing all along to endorse Snegur as party's sole presidential candidate, and to work actively for his re-election.

More recently, however, Snegur's entourage lost confidence in the Agrarian leadership willingness, or at least ability, to do so. The party leadership's and parliamentary group's veto on Snegur's choices for a number of chiefs of district administrations reinforced the suspicions in the presidential camp.

The president's rivals have clearly signalled their intent to challenge him with the support of such party elements as they may master. Meanwhile the Socialist and Communist Parties have demonstrated a growing assertiveness and skilled organizational work in the Russophone communities, prompting Snegur's team to practically write off the ethnic minority vote.

The president's advisers seem to have concluded sometimes this spring that Snegur's best chance lies in maximizing his share of the ethnic Moldovan vote, and winning on its strength. The Agrarian leadership has opposed such a course because it involves polarization along ethnic and linguistic lines.

The presidential camp has responded with a high-risk strategy. It involves splitting the Agrarian Party, establishing a presidential party with solidly pro-Snegur ex-Agrarians and other ad-hoc allies, using patronage and other incumbency advantages to attract more Agrarians and to intimidate non-cooperative ones, appointing supportive district chiefs and town mayors, disabling the party structures likely to support the rivals in the presidential election, and seeking if possible to install a new parliament and government before the presidential election.

### Smirnov Refuses Unofficial Meeting With Snegur

*AU1608103995 Chisinau INFOTAG in English 1930 GMT 15 Aug 95*

[FBIS Transcribed Text] Chisinau INFOTAG, 15/8/1995 — President of the unrecognized Dniester Republic Igor Smirnov refused to unofficially meet the Moldova's President Mircea Snegur.

A source in the Moldova's government told INFOTAG that Mr. Snegur, who is spending his vacation at his dacha near the village of Holercani on the right bank of Dniester, last week proposed to Mr. Smirnov to arrange an unofficial meeting to discuss problems of mutual interest.

Sources in Dniester administration maintain that the Moldovan president suggested to discuss possible participation of Dniester representatives in August 26 constituent congress of Mr. Snegur's new Party for Rebirth and Concord [PRC].

According to these sources, Mr. Smirnov declined Mr. Snegur's offer to meet him in Holercani, and informed the Moldovan Prime Minister Andrei Sangheli about Mr. Snegur's proposal. The head of the government who is considered to have the closest relations with the Dniester leaders immediately sent two of his envoys, the vice prime minister Valentin Kunev and prime minister's adviser Vladislav Kutirkin, to Tiraspol to meet the representatives of Tiraspol administration.

Dniester representatives maintain that those moves of the Moldova's president and the prime minister are another proof of the beginning of presidential election campaign in Moldova. Each potential candidate tries to become a champion in resolving the Dniester problem. Politicians understand that success of one candidate

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or another would largely depend on his ability to resolve the conflict and attract half a million Dniester votes. Dniester inhabitants are believed to trust more Moldova's prime minister than its president who is viewed in the region as a man responsible for the 1992 armed conflict.

**Finance Minister Chitan Outlines Deficit**

*AU1508161795 Chisinau BASAPRESS in English 1930 GMT 14 Aug 95*

["Moldova Faces Economic Stopping — Economic Commentary" — BASAPRESS headline]

[FBIS Transcribed Text] Chisinau BASAPRESS, 14/8/1995 — The arrears [deficit] create pressure on Moldova's economy generating a sharp financial freeze. The finance minister, Valeriu Chitan, recently stated that the arrears surpassed 2 billion lei ($445 million) and constitute 25 percent of the net internal product. A similar situation is registered in payments for heat, electricity and gas consumption, the wage and pensions debts are growing and the tax-payers' fiscal debts affect the budget. By July 1 the economic agents' arrears towards the budget were 283.4 million lei, including 208.2 million towards the state budget. According to the finance minister, in the second quarter of 1995 the debts to the budget mounted 40 percent up and in July the debts to the local budgets doubled. They are likely to keep on growing in the second term. "In the first quarter none of territorial administrative units fully made the stipulated payments," Chitan said. According to him, every third tax-payer committed infringement while paying taxes, thus harming the state's interests. The collection of incomes is compromised by a diminution of the income liable to taxes and by an exaggerated growth of prices. The wide-scale practice of cash transfers and barter transactions avoiding the banking system encourages tax evasion. Under these circumstances, the issue and distribution of state bonds as well as the liquidation of reciprocal arrears between the budget and the economic agents by the agency of treasury bonds are not very efficient, some experts say.

The ultimatum of the tax-payers to the Council of State Creditors to make the economic agents respect their debts, hinders the activity of the Council conceived as an institution to issue indulgences for the debtors who still have chances to recover. Though until August 1 the arrears towards the creditors worth 240 million lei have been extended, including 41 million lei for energy consumption, arrears of the enterprises went up from 380 million lei in January 1995 to 460 million lei in July. At the same time the finance minister stated that 90 percent of the 40 billion rubles distributed to the economic agents for aiding current assets were used for other purposes. Under the general insolvency, the government compelled the agricultural enterprises which owe the creditors consistent debts, to supply them with 35 percent of the 1995 harvest and thus cover the wage debts. Some experts consider this method of debt payments to be like the tax in kind practiced in the Soviet period. At the last week's sitting of the executive body, it was reported that the state purchased only 260,000 metric tons of cereals while it was stipulated to purchase 440,000. The government decided to impose severe sanctions on local administrations which do not collect taxes on income, energy consumption. As part of the sanctions, directors of administrations and enterprises are being fired. At the beginning of the current year, the parliament approved changes in several legislative acts which stipulated drastic measures of fighting fiscal evasions. Minister Chitan informed at the sitting that the changes made have to do with the fiscal administration and not the fiscal system. The finance minister was to present in July a package of changes in the fiscal system which would reduce the fiscal pressure on tax-payers. According to some experts, the debt growth indirectly shows the inefficiency of the measures meant to strengthen the fiscal system administration and its drawbacks and the reduction of arrears is impossible in conditions of continuous drop of production volume and worsening of the economic crisis.

**Sangheli Optimistic Over Economic Performance**

*AU1608101695 Chisinau INFOTAG in English 1930 GMT 15 Aug 95*

[FBIS Transcribed Text] Chisinau INFOTAG, 15/8/1995 — "The first half of 1995 have seen a growth of all indicators except in light industry," Prime Minister Andrei Sangheli stated on August 7 during "The Hour of the Government" telecast over the National Television.

According to him, the volumes of production were 9 percent higher in July than in June. And exports in the first half of 1995 were 22 percent greater than in the first 6 months of the previous year. For the first time in the past 4 years, Moldovan exports have surpassed imports by 12 percent. These facts leave no ground for those who blame the government of lack of attention to Moldovan exporters, he stressed.

Mr. Sangheli has pointed out a fact that Moldova is increasing the volumes of exports to Western states. In the first 6 months of the year, exactly a quarter of all exports were to the West — 13 percent greater than during the same period last year.

Moldova has managed to enter the world market with its wine produce. "Only 2-3 years ago, we used to export a mere 200-300 (!) bottles of wine to the West

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per annum. Currently, the Hancesti winery alone sells some 15 million bottles a year to the Netherlands, the Great Britain, Denmark." He named wines as an essential produce which is yielding substantial hard-currency profits to the republic, and will be able to bring much more in the future.

Moldova lays much hope on the construction of a glass factory in Chisinau which will be producing European-standard wine bottles. With the support of a $18.5 million credit furnished by the European Bank for Reconstruction and Development, Chisinau has set up a Moldovan-Spanish joint company which is to launch the bottle production by end-1996. The new factory's capacity will be 80-100 million bottles per annum.

In his opinion, the growing exports to the West do not necessarily mean giving up Moldova's traditional markets in the CIS. The prime minister has estimated for a sign of recognition of Moldova's economic reforms the invitation sent to the republic to take part in the annual conference of the World Bank to be held in October. In his words, only six countries of the world have been invited to attend the forum, with Moldova to be the only European state to represent the continent. "The republic will be represented at the conference as a model of a country whose economy is becoming attractive for foreign investors," the prime minister said. The United States support of Moldova in liberalizing the national economy — that was how the prime minister named the extension by President Clinton of the status of the most-favoured nation treatment in trade. In Mr. Sangheli's words, this provides for a free and tax-exempt access of over 4,600 Moldovan goods to the American market.

For concrete results of the reforms being implemented, Andrei Sangheli mentioned the leu stability and the growth of population's monthly incomes from 32 to 40 percent to the subsistence level. Thanks to the good harvest, Moldova can begin exporting grain this year. The republic has harvested some 1.7 million metric tons of grain (without Dniester).

Analyzing the expedience of building a port in the village of Jurjulesti on the Danube River, the prime minister has mentioned that such an object may be considered as an attribute of statehood. In his words, the republic should have several channels of fuel imports. So far, fuel is imported only by railroads from CIS states.

He cited a concrete example showing what it is for Moldova to have a water channel. In his words, Moldovan grain exporters currently lose $15 to $20 per each metric ton of grain charged by the Ukrainian sea ports of Ilichevsk and Reni.

Speaking about an acutest social problem — indexation of population's bank deposits — Mr. Sangheli said this will require some 210 million lei ($46.6 million). In 1995, the government will allocate 70 million lei for the purpose, with the remainder to follow during 1996 and 1997.

As for the government's resignation, being demanded by the opposition with an ever growing persistence, he said the cabinet had discussed the issue at its special sitting. "And my ministers are ready to resign should the Parliament ask them to."

Mr. Sangheli believes, the ministers he is heading have been the "objects of too great an investment," which circumstance does not allow to send them away at the first shouts from the street. "We are the government of a ruling party, and shall be conducting its policy," he stressed.

He does not think it a tragedy for the Agrarian Democratic Party [PDAM] that it was left by President Snegur followed by 11 Parliament deputies. In his belief, this is rather a personal tragedy of these people. A real tragedy for the party was when the gentlemen joined the PDAM, he said.

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## Kazakhstan

### Reportage on Turkish Premier Ciller's Official Visit

#### Nazarbayev, Ciller Sign Accords

*LD1508162695 Moscow ITAR-TASS in English 1526 GMT 15 Aug 95*

[By Amangeldy Akhmetalimov and Gennadiy Kulagin]

[FBIS Transcribed Text] ALMAATY, August 15 (ITAR-TASS) — Kazakh President Nursultan Nazarbayev and Turkish Prime Minister Tansu Ciller, who is on an official visit to Kazakhstan, signed a set of agreements on Tuesday.

Among them are an agreement on mutual assistance in criminal investigations and extradition of criminals, including an agreement to avoid double taxation.

The sides reaffirmed their readiness to promote Turkish investment in Kazakhstan's economy and the trade between the two states.

One of agreements envisages the opening of a credit line for Kazakhstan by Turkey.

Part of the credit will be used to boost up privatisation in the Kazakh agrarian sector.

Subjects of the talks included cooperation in transportation of Kazakhstan's oil via Turkey en route to the Mediterranean region.

Kazakhstan and Turkey exchanged on regional and international policies.

Both sides reaffirmed their preference of political solutions to regional crises.

The Kazakh and Turkish delegations expressed concern over the escalation of hostilities in Bosnia and Herzegovina and apprehension that peace efforts of the world community might be undermined.

Meetings of the Kazakh and Turkish delegations in Kazakhstan's ministries yielded an agreement between the National Bank of Kazakhstan and the Central Bank of Turkey, and a protocol between Eximbanks of the two states.

The agreement envisions the funding of the construction of a children's rehabilitation medical centre in Almaty within the frame of the credit line.

Later in the day, Ciller laid flowers at the war victory memorial and held meetings with Kazakhstan's scientists and businessmen.

#### Nazarbayev, Ciller Discuss Oil Pipeline

*LD1508210695 Moscow INTERFAX in English 1650 GMT 15 Aug 95*

[Report by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin — from the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Nursultan Nazarbayev and Turkish Prime Minister Tansu Ciller have discussed the feasibility of pumping Kazakh oil to the Mediterranean Sea across Turkey.

Ciller is on an official visit in Kazakhstan.

Nazarbayev told a briefing in Almaty Tuesday at the end of his talks with Ciller that an inter-governmental agreement on pumping oil across Turkey has not been signed because this document needs more negotiating.

He said, however, that the oil and gas ministers of the two countries will sign a protocol about laying such a pipeline.

Nazarbayev believed that the talks are getting down to specifics.

He added that the project initiators will invite other countries to take part in the project which needs huge investments. In Nazarbayev's view, international financial institutions and large companies in Russia, Azerbaijan and Turkmenistan could invest in the project.

Ciller said that an understanding was reached in the talks on joint projects to be financed by the unused part, $40 million, of the $200 million loan Turkey had made available to Kazakhstan. She also said that a new $300 million line of credit will be opened for housing construction and development of the mining industry in Kazakhstan.

A total of $2 billion of Turkish money has been invested in Kazakhstan's economy but the goal is to make much larger investments, Ciller explained. She predicted that the trade turnover between the two countries will reach $1 billion in the coming years.

In the course of Ciller's visit four inter-governmental agreements were signed, on avoidance of double taxation; on legal aid in criminal cases and extradition o criminals; on cooperation in animal health; and on cooperation in quarantine and protection of plants.

IF Note: Russian experts say that the Tansu visit takes place a few days after the Caspian Pipeline Consortium, incorporating Kazakhstan, Russia and Oman has announced the start of the construction of the first stage of the Kazakhstan-Black Sea pipeline across Russia.

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### Ciller Concludes Talks

*LD1508153295 Moscow INTERFAX in English 0916 GMT 15 Aug 95*

[FBIS Transcribed Text] ALMATY, Aug 15 (INTERFAX) — Kazakhstan and Turkey did not sign an intergovernmental agreement on the transportation of Kazakh oil to the Mediterranean sea via Turkey, because this document was not finally coordinated, Kazakh President Nursultan Nazarbayev said in Almaty Tuesday upon the completion of his talks with Turkish Prime Minister Tansu Ciller. The Premier came to Kazakhstan on an official visit.

At the same time, he said that the Kazakh and Turkish Oil and Gas Ministers will sign a protocol on building an oil pipeline for transporting Caspian oil to the Mediterranean sea via Turkey. The protocol to be signed later today (the difference between Moscow and Almaty time is three hours) will call on other states to join the project. "The oil pipeline construction is becoming a reality," said Nazarbayev.

In the opinion of Nazarbayev, the costly project can be financed by international organizations and large companies of Azerbaijan, Turkmenistan, Caucasian states and Russia.

In her turn, Ciller noted that Kazakhstan and Turkey had coordinated a list of projects to be financed with the unspent money from the $200 million Turkish project. A total of $160 million has been used. In near future Ankara will open a new credit line worth $300 million for housing construction and development of the extracting industry.

The overall Turkish investments in Kazakhstan have neared $2 billion.

Commenting on the Almaty visit of the Turkish Premier, Russian experts noted it was held several days after the Caspian pipeline consortium of Kazakhstan, Russia and Oman announced the beginning of construction of the first phase of the export pipeline from Kazakhstan to the Black Sea via Russia.

### Government Founds 'United Bank of Kazakhstan'

*MK1608051295 Moscow KOMMERSANT-DAILY in Russian 15 Aug 95 p 5*

[AFI report: "'United Bank' Is Being Set Up in Kazakhstan"]

[FBIS Translated Text] The Government of Kazakhstan has founded a state "United Bank of Kazakhstan" and transferred for its administration state-owned shares (100 percent) in the "Peoples Bank of Kazakhstan" and in the "Alem Bank of Kazakhstan" (more than 74 percent), retaining the latter's legal independence. As was announced in a Tuesday [8 August] press conference by the deputy head of the National Bank of Kazakhstan, Grigoriy Marchenko, the state-owned shares of the capital of the republic's two biggest banks are being transferred to "United Bank" in a bid to strengthen the national banking system. In Mr. Marchenko's words, the country needs an additional six to nine large banks of an international caliber to withstand the vigorous banking activity in the republic of foreign banks, including Russian banks. The government intends to take measures to create such financial structures.

### Country's Recent Nuclear Interest Portrayed

*954F3030A Almaty EKSPRESS-K in Russian 8 Aug 95 p 3*

[Article by Tulegen Askarov: "Kazakhstan's Nuclear History Continues"]

[FBIS Translated Text] National interests are an amazing property of human society. However, modern civilization has developed without borders, a civilization of compromises, each nation remains more less armed and prepared to defend its frequently formal borders and far from formal vital spaces. The capacity to repulse an external threat is the first criterion of the viability of any, even the most peaceable, government in the eyes of its people. The presence of a nuclear shield remains, as before, the best evidence of this capacity.

Kazakhstan attempted, as we know, together with Ukraine to plant itself in the nuclear club following the disintegration of the USSR. For this our leadership put into circulation the status of nuclear state pro tem and engaged all the at that time scant intellectual and diplomatic resources for propaganda. Alas, the forces were on the thin side at that time, and antinuclear euphoria was raging in society. The leadership of Kazakhstan had its arm twisted in the nuclear dispute, being promised in exchange a shower of investments and a decorous international image. We were forced to surrender our nuclear weapons. The voices of isolated skeptics who maintained that such a step was premature and that the START I and START II treaties and the entire treaty legacy of the era of the confrontation of the two systems had become antiquated after the collapse of the USSR and were ignored. Kazakhstan closed the lid on its nuclear present and future. Fortunately, as is now being ascertained, temporarily. Immediately following Russia's hurried withdrawal of the tactical nuclear weapons and strategic bombers from the territory of the "fraternal" country, an ominous "black hole" appeared in the former Union's defense space. The "supernova" of Chinese nuclear power clearly began to

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shine in it. Following the decapitation of the ballistic missiles deployed on the territory of Kazakhstan, the national security situation became challenging even to nonspecialists. The specialists themselves, for that matter, who had been skillfully re-baptized by the West into the nonnuclear faith, reveled at international conferences at that time in the splendor of the pictures of a radiophobic future Kazakhstan. They contrived not to notice here the successes of the nuclear programs of Israel, India, China, and Pakistan and the overall growth of the military potentials of the Asian countries. The paper guarantees of the members of the nuclear club, on the other hand, were served up to society as a triumph of the diplomatic and geostrategic wisdom of our statesmen. This entire foreign policy trumpery and geopolitical verbiage was jettisoned as soon as France announced the continuation of the program of nuclear testing, and wise China went on with these tests without any announcements. The ice-cold shower of realities of the "cold" peace, which remains nuclear and dangerous, poured down on the leadership of Kazakhstan. The danger of remaining nonnuclear and unarmed in such a world became obvious. The hour of triumph of the hawks who believe in the power of the atom and weapons and the nuclear revanchists, who understand full well the true value of the country's nuclear complex, struck in the summer of 1995 in Kazakhstan.

There are many of the latter in Kazakhstan. Aside from a number of political forces which condemned the surrender of the nuclear weapons, there is a sizable group that supports the nuclear scenario of the country's development. These are theoretical scientists, practical researchers, highly qualified engineers and technicians, and workers of atomic industry. Russia is not capable of absorbing all the Kazakhstani nuclear engineers. Their mass exodus for other countries is precluded. There are support groups overseas also—many countries straining after the bomb are well aware of the value of Kazakhstan in the sense of illegal supplies of radioactive materials across its borders of thousands of kilometers, which we are incapable of closing. There is, finally, the legal world nuclear materials market, the departure of Kazakhstan from which is simply ruled out—this would cause a fall in supply and a rise in the prices of such materials and, consequently, of electric power.

This summer the leadership of Kazakhstan began to feverishly rectify the tilt in its nuclear policy that had come about in order to rescue the legacy Kazakhstan had inherited for nothing almost. A highly felicitous moment was chosen: Parliament had been dissolved, there was a split in the antinuclear movement, and society's attention was concentrated on discussion of the draft new constitution. To be honest, hardly anyone expected such boldness and nimbleness of the country's leadership.

The president of Kazakhstan decided to satisfy Indonesia's interest in our enriched uranium for its nuclear power plant and instructed the NAK [National Joint-Stock Company] KATEP to sign a delivery contract. Which was carried out with great pleasure directly in Jakarta. Although it remained unclear how the dangerous commodity would be delivered to the distant country and which states would agree to the admittance of this freight, the effect of the deal was remarkable. Things progress. The head of state discussed in Almaty this time the question of the construction of nuclear power plants in Kazakhstan with representatives of the French Bouygues firm (it is planned to build five or six nuclear power plants altogether). The choice of partner for the discussion was splendidly calculated—in addition to the constitution, the country's nuclear future also is being entrusted to the French. This stab at American and Russian pride will hardly pass unnoticed.

Interest in Kazakhstan's nuclear renaissance has been spurred by the collective efforts of the national leadership. The vice president familiarized himself very closely in Japan with the experience of the construction of nuclear power plants. Japanese nuclear power plants, apparently, are the safest and environmentally the cleanest in the world. By this discovery the vice president shook the still-young nuclear consciousness of Kazakhstani society, which had considered the Chernobyl Nuclear Power Plant the limit of technical thought. In addition, we learned after this visit that for the Japanese Hitachi firm the production of home electronics is simply a hobby. The firm is the main producer of equipment for the nuclear power plants and possesses the technology for the processing of spent nuclear fuel (simply put, waste). Hitachi is prepared to begin cooperation with Kazakhstan.

The Japanese, who overcame the Hiroshima and Nagasaki syndrome, who were able to create their own nuclear complex from nothing, and who are very close to the doorstep of the nuclear club, have reminded in good time the Kazakhstani people, which had gone astray on the path of nuclear-free utopias, of a more practicable life in friendship with the atom—defender and breadwinner.

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## Tajikistan

### UN Mission Fails To Achieve Success

*LD1508122195 Moscow ITAR-TASS in English 1006 GMT 15 Aug 95*

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, August 15 (ITAR-TASS) — Ramiro Perez Ballon, a special envoy of the U.N. Secretary-General to Tajikistan has been on a shuttle mission between Dushanbe and Kabul for intensive talks with the leaders of Tajikistan and the opposition aiming to expedite the inter-Tajik negotiating process and work out common approaches of the conflicting parties to the agenda of the fifth round of talks between them, as well as on its date and venue.

Well-informed sources told ITAR-TASS that the envoy on Tuesday held a meeting with the head of the official Tajik delegation to the talks, First Vice-Premier Makhmadsaid Ubaydullayev. The U.N. official brought to the notice of the Tajik delegation leader the latest initiatives put forth by the opposition leaders now staying in the Afghan town of Talukan.

Sources close to the opposition leaders disclosed that the latter insist on putting on the agenda a set of political questions relating to the constitutional system of the republic. They want the round to be held in Vienna.

Independent observers doubt that official Dushanbe would agree to the new opposition terms. Tajik authorities are resolutely in favour of holding the next round of talks in the Turkmen capital. Their initiative has been supported by the President of Turkmenia, Russia and a number of Middle East observer countries.

The Tajik authorities also regard questions relating to Constitutional restructuring of the country as not subject to revision since the legitimacy of the presidential and parliamentary elections in Tajikistan was actually recognised by the international community and most foreign countries.

For all that, according to the same sources, Dushanbe is prepared to implement the accords reached in the course of the preceding, Almaty round of talks. The accords called for holding a consultative assembly of the peoples of Tajikistan in which the two warring sides would be equally represented.

Dushanbe is also prepared to sign an agreement on an indefinite ceasefire. The term of the previous ceasefire agreement expires on August 26, 1995.

President of Tajikistan Emomali Rakhmanov stated recently that he was ready to meet opposition leader Said Abdullo Nouri for the purpose at any time and at any place.

The opposition, however, has not yet responded to the initiative.

The U.N. official, nonetheless, has not yet lost hope for rapprochement between the conflicting parties.

### Former Minister Seen as Threat to President

*MM1508150395 Moscow IZVESTIYA in Russian 16 Aug 95 p 3*

[Report by Yuriy Snegirev: "Career Tajik-Style: Racketeer-Minister-Ambassador"]

[FBIS Translated Text] Dushanbe — The expectation of another civil war in Tajikistan has been replaced by a faint hope. After a few days of talks the sides seem to have reached a compromise: In Dushanbe Tajik President Emomali Rakhmonov introduced their new minister to MVD [Ministry of Internal Affairs] staffers — he is Saidomir Zukhurov, who previously held the post of minister of state security. Zukhurov's place at the Ministry of Security has been taken by his first deputy, Said Kamolov.

Former Minister of Internal Affairs Yakubdzhon Salimov has been appointed ambassador to Turkey by order of President Rakhmonov and with the approval of the parliament. In his official statement Salimov said the following: "I am grateful to President Rakhmonov for assigning me to civilian life," and he urged all MVD personnel to unite around the new minister and rally around the president.

According to the IZVESTIYA Analysis Center, Yakubdzhon Salimov, President Rakhmonov's former comrade in arms in the People's Front, was previously renowned in the republic as a sportsman and racketeer, who led one of the major criminal groupings. On becoming Tajik minister of internal affairs he surrounded himself with his former "partners in crime" and established a style of relations in the government reminiscent of the code of honor of the "crime bosses." He often settled disagreements with his mighty fists: Thus, Vice Premier Makhmadsaid Ubaydulloyev, who dared to reprimand him for turning up late to a government session, the republic's General Prosecutor Makhmandnazar Saliyev, and even Emomali Rakhmonov — following which the president was unable to appear in public for several days — have been on the receiving end from him in the past. On three occasions Rakhmonov tried to dismiss his recalcitrant subordinate but failed to do so owing to the determined backing of former People's Front members and certain bandit formations (around 20,000 "guns").

According to local observers, even in Tajikistan itself the new minister, Zukhurov, is regarded as a "dark horse." He is known as Rakhmonov's absolutely loyal

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head of security, for which he received state awards from the president himself.

Local observers doubt that the ousted Salimov will be happy without a sizable "payoff" from the president, and they assume that this peaceful solution to the problem is by no means the end of the matter. In their view, Rakhmonov will still have problems with Salimov and his retinue.

**New Security Minister: Situation 'Stable'**

*LD1508153195 Moscow INTERFAX in English 1205 GMT 15 Aug 95*

[FBIS Transcribed Text] DUSHANBE, Aug 15 (INTERFAX) — The socio-political situation in Tajikistan is stable, the newly appointed security minister Major-General Saidanvar Kamolov has said.

He said the transfer of his predecessor Yaqubdjon Salimov to the diplomatic service was very businesslike.

Kamolov said all law-enforcement ministries were working as usual. "No grave offenses have been registered in the country over the past few days," Kamolov said.

The situation in the Vakhsh region of the Khatlon region, southern Tajikistan, is reported to have stabilized after a rally lasting over a week in support of economic demands. The demonstrators left only after a meeting with a government commission, which inspected that area in the middle of last week.

Kamolov deplored the fact that some Russian media were spreading "rumors about alleged confrontation in the law enforcement agencies of Tajikistan and growing tensions in Dushanbe." Kamolov dismissed those reports, saying there were no contradictions or confrontation within the security ministry, the interior ministry or the defense ministry.

**End of State Cotton Monopoly Examined**

*LD1508205295 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

[FBIS Transcribed Text] DUSHANBE, Aug 15 (INTERFAX) — Cotton in Tajikistan will no longer be a state monopoly, so that the producers have the right to sell it themselves.

Under President Emomali Rakhmanov's decree, all of the raw cotton harvested, and the fiber from it, from 1996 on will be left at the disposal of collective, state-owned and other farms. Raw cotton and fiber prices will be completely freed in 1996.

The prices will be liberalized partly in 1995. The decree allows the producers to keep 30 percent of the cotton ordered from them by the state and all the cotton in excess of that amount. The government has two months to work out a procedure for selling the cotton which the farms keep.

Viktor Boltov, deputy minister of economy and foreign economic links, in charge of agriculture, told INTERFAX that the decree should give a boost the cotton industry which is in dire straits now.

By official accounts, fields under cotton now amount to 272,400 hectares, 10,000 hectares less than in 1994 due to shortage of seeds and machinery. Nearly 42,000 hectares are under fine-fiber cotton.

Tajikistan plans to harvest 750,000 tonnes of raw cotton in 1995; last year the harvest was 523,000 tonnes, far short of the planned 800,000 tonnes. Shukrullo Raimnazarov, head of the cotton division in the Agriculture Ministry, told INTERFAX that this year's harvest will be no better, chiefly because of shortage of fertilizers, machinery and fuels.

In order to encourage cotton producers the government has tripled purchasing prices. As a result, the price of fine-fiber cotton ranges from 13,000 to 16,000 Tajik rubles, medium-fiber sorts, from 12,300 to 13,350 Tajik rubles a tonne ($1 = 58 Tajik rubles).

Tajik output of fine-fiber cotton, its specialty in the former USSR, has nearly halved in recent years. In 1980, when the harvest was good, the output was 1,010,000 tonnes, the average harvest being 3.4 tonnes per hectare.

## Turkmenistan

**Second ECO Conference Opens in Ashgabat**

*LD1508172995 Moscow INTERFAX in English 1205 GMT 15 Aug 95*

[FBIS Transcribed Text] ASHGABAT, Aug 15 (INTERFAX) — The Second Conference of the Economic Cooperation Organization (ECO) opened in Ashgabat Tuesday.

In an interview with INTERFAX, Turkmenistan's representative in ECO Khalikberdi Atayev has reported that the main point on the conference's agenda is putting the final touches to the organization's new charter.

As he explained, ECO has so far been acting on the basis of the so-called Izmir agreement, co-founded by Pakistan, Iran, and Turkey. After yet another seven states (Uzbekistan, Kyrgyzstan, Tajikistan, Kazakhstan, Turkmenistan, Azerbaijan, and Afghanistan) joined ECO in 1992, the organization's economic potential has considerably grown, "and the new charter should mirror that," Atayev remarked.

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According to Atayev, one of the main amendments to be introduced into the charter is to institute a new supreme governing body — the Heads of State Council — and to consolidate ECO's Secretariat.

The conference is to last through August 19. The completed charter is to be submitted to ECO's Ministerial Council for debate in the second half of September.

**Turkish Official Views Development Contribution**

*LD1508193095 Ashgabat TURKMENSKAYA ISKRA in Russian 2 Aug 95 p 3*

[Article by Oguz Yayan, representative in Turkmenistan of the Turkish Agency for Development and Cooperation at the Ministry of Foreign Affairs of Turkey]

[FBIS Translated Excerpt] In the fourth year of Turkmenistan's independence, the whole world is a witness to the fact that the new state, led by its highly esteemed leader, Saparmurad Turkmenbashy [Niyazov], is becoming a rapidly developing country.

A politician or businessman arriving in Turkmenistan today can make use of the same hotel, airport, or information services in Ashgabat as in London, Paris, or Zurich. [passage omitted]

So, what can be produced already in Turkmenistan? Refined salt and packaging for it; soap and shampoo; cellophane packaging materials; various plastic goods for the office and home; packaging for the broadest range of goods; doors and other fittings made of PVC; stationery; metal and plastic molds; keys, locks, and safes; plant-spraying equipment; dairy and cheesemaking equipment; biscuits, sweets, and a large range of confectionery. [passage omitted: Turkmenistan is attracting foreign credits, from Turkey for example]

Turkey, a friendly and fraternal country to Turkmenistan, considers it an honor to make its contribution to the development of Turkmenistan, through the TIKA (Turkish Agency for Development and Cooperation), set up at the Ministry of Foreign Affairs of Turkey.

TIKA opened its office in Turkmenistan on 10 August 1993. Since then, it has been engaged in training specialists in the financial, banking, economic, and diplomacy spheres. It has invited Turkmen specialists and scientists to many international conferences.

At present in Turkmenistan TIKA is implementing such projects as:

— the Anev agricultural research station;
— general prospects and the technical-economic basis for Turkmenistan's transport roads;
— the development of statistics establishments;
— a general plan for public health development. [passage omitted]

## Uzbekistan

**Edict on Transformation of Foreign Trade Companies**

*LD1508220095 Tashkent NARODNOYE SLOVO in Russian 15 Aug 95 p 1*

[FBIS Translated Text] Edict by the president of the Republic of Uzbekistan on transforming self-financing subdepartments of the Ministry of Foreign Economic Relations into state joint-stock companies, with the purposes of speeding up the introduction of market mechanisms into the system of foreign economic ties and the further development of the process of liberalizing foreign trade:

1. To transform the state foreign trade self-financing associations Uzmarkazimpeks [Uzbek Central Import-Export], Uzprommashimpeks [Uzbek Industrial Machinery Import-Export], Innovatsiya [Innovation], Uzvneshtrans [Uzbek Foreign Transport], the republic-level foreign trade and self-financing firm Markazsanoateksport [Central Industrial Export], and the republic-level foreign trade self-financing transport and freight company Orta Osiyo Trans [Central Asia Transport] of the Ministry of Foreign Economic Relations of Uzbekistan into state joint-stock companies of the same names in the form of joint-stock associations of the open type.

To provide for the distribution of shares in the newly established joint-stock companies in the following order:

Fifty-one percent of shares at face value to the Ministry of Foreign Economic Relations of Uzbekistan, with the state having the right to manage the shares;

Twenty-five percent of shares at face value to the staff of the aforesaid foreign trade companies;

Twenty-four percent of shares to be sold openly at market value on the stock exchange.

2. To establish that the stat joint-stock foreign trade companies Uzmarkazimpeks, Uzprommashimpeks, Innovatsiya, Markazsanoateksport, the state international auto-transport joint-stock company Orta Osiyo Trans, and the state transport and freight joint-stock company Uzvneshtrans are the legal successors of the self-financing subdepartments of the Ministry of Foreign Economic Relations of the same names, in terms of all property rights and duties, and which, in the established order, will carry out:

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—exports, including centralized exports, based on contracts signed with manufacturers of goods for export in Uzbekistan;
—the purchase of goods on the instructions of customers in Uzbekistan for state needs;
—the rendering of services, the shipping of goods for export and import, and the rendering of transport services during foreign trade transactions.

3. To determine that aforementioned state joint-stock companies are operating in accordance with the statutes based on principles of full self-financing and self-management.

4. The Ministry of Justice of Uzbekistan must register the statutes of the state joint-stock companies Uzmarkazimpeks, Uzprommashimpeks, Innovatsiya, Markazsanoateksport, the state international autotransport freight joint-stock company Orta Osiyo Trans, and the state joint-stock transport and freight company Uzvneshtrans, in the established order.

5. The Cabinet of Ministers of Uzbekistan must adopt within two weeks a corresponding resolution on implementation of this edict.

[signed] Islam Karimov, president of Uzbekistan, Tashkent, 14 August 1995

**UN Chief Hails Plan for C. Asian Security Forum**

*LD1508205995 Moscow INTERFAX in English 2010 GMT 15 Aug 95*

[FBIS Transcribed Text] TASHKENT, Aug 15 (INTERFAX) — U.N. secretary-General Butrus Butrus-Ghali views Uzbek President Islam Karimov's initiative to create a permanent forum on security and cooperation in Central Asia "as an important and positive contribution to strengthening regional peace and security," according to Butrus-Ghali's message to Karimov received by the presidential administration Tuesday.

According to the U.N. Secretary-General, the forum could help create a system of efficient preventive political measures in the region and thus augment U.N. efforts in the area.

Butrus-Ghali hailed the intention of Uzbekistan, Kazakhstan and Kyrgyzstan to form a joint body, consisting of military personnel from these countries, for supporting U.N. peacekeeping operations. "It would be a precious contribution to the reserve of instruments at the disposal of the Secretary-General," the message reads.

The instability in Afghanistan and Tajikistan still arouses everybody's concern, said Butrus-Ghali. He expressed confidence that Uzbekistan would continue cooperating with international organizations in resolving dangerous conflicts by political means.

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## Armenia

### Cambodia, Armenia To Establish 'Strong' Ties

*NC1608050195 Yerevan NOYAN TAPAN in English 1430 GMT 15 Aug 95*

[FBIS Transcribed Text] 15/08/95 NOYAN TAPAN — On August 15, Ambassador Extraordinary and Plenipotentiary of Cambodia to Armenia Sek Settha handed his credentials to Vice-President of Armenia Gagik Arutyunyan. According to the press-service of Armenian Government, Ambassador Settha said that the leadership of his country wishes to establish strong ties with the Republic of Armenia. He introduced the political and economic situation in his country, related about Cambodia's role in South-Eastern Asia. The Ambassador voiced a hope that Armenian-Cambodian relations will actively and effectively develop.

Vice-President Arutyunyan in his turn introduced the political and economic state of Armenia, touched upon the Karabakh conflict emphasizing that Armenia struggles for political settlement of the issue. He pointed out that establishment of diplomatic relations between Armenia and Cambodia provides vast opportunities for cooperation in numerous spheres.

### Prime Minister Accuses Georgia of Stealing Gas

*LD1508203595 Moscow INTERFAX in English 1644 GMT 15 Aug 95*

[FBIS Transcribed Text] YEREVAN, Aug 15 (INTERFAX) — Armenian Prime Minister Grant Bagratyan has accused Georgia of continuing to take some of the natural gas being pumped through that country from Turkmenistan to Armenia.

"By August 1 Armenia should have received 2.1 billion cubic meters of gas but only ever saw 1.5 billion, while Georgia used up the rest," he told a Tuesday news conference in Yerevan.

According to him, this makes gas deliveries to Armenia unprofitable for Turkmenistan in as his country pays only for the gas actually received.

Bagratyan said that during his Monday talks with his Georgian counterpart in Stepanavan a bilateral agreement on transit gas was signed.

Bagratyan said the agreement will be most beneficial to Georgia in as it will receive currency for the transit of gas through its territory.

Bagratyan hoped that the electricity problem would be resolved in the near future. At the end of August the Armenian nuclear power station is to be in operation again, allowing electricity supplies to be increased to 18 hours a day for private homes, currently it is received for only two hours.

### Bagratyan Describes Economic, Social Program

*NC1508183795 Yerevan NOYAN TAPAN in English 0507 GMT 15 Aug 95*

[FBIS Transcribed Text] 15/08/95 NOYAN TAPAN — The first bill which the Government plans to offer to the attention of the National Assembly will be the bill on administrative division, and a package of economic bills will be prepared two months later. This was reported at the August 15 press-conference by Prime-Minister Grant Bagratyan. He attached special significance to necessity of reforms in the legal sphere which should accompany the economic reforms. Currently these two spheres lack balance.

Touching upon the matter of structural changes, Mr. Bagratyan said that the current number of Ministries (23) is close to standards of governments based on market economy. Due to recent reconstruction in the Government 8 ministries and over dozen other no less significant agencies were liquidated or united with others. According to Prime-Minister, this motion met some resistance.

Mr. Bagratyan said that on the whole the program developed for the energy sphere has been approved by the Government and is executable. He reported that possibly in 10 or 15 days the Republic is going to receive the energy produced at the Armenian Nuclear Energy Plant. At the last trilateral negotiations held in Ashgabat the Armenia side was offered rather harsh terms: Armenia now has to buy natural gas from Turkmenia on the border between Georgia and Russia (because Georgia was taking part of the gas shipped for Armenia and did not pay for it). Bagratyan reported that at intergovernment meeting between Georgia and Armenia held recently in Stepanavan, an agreement was reached, in accordance with which Armenia is going to pay Georgia for transit of its gas through Georgian territory by part of the gas shipped.

The Prime-Minister reported that currently the Georgian leadership understands the mutual profit of its cooperation with Armenia. Only on railway transportations to Armenia Georgia is earning 30-40 million dollars per year, an amount none of its enterprises can yield.

According to Mr. Bagratyan, the energy system of Armenia is already capable of providing 24-hour energy supply to the population. The problem is that the population does not pay for the energy already consumed (for the month of July the population paid for only 23 percent of all energy consumed). He voiced an opinion

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that if once the population pays for main part of the energy it uses, the energy system will be able to provide constant supply, since it will be able to buy more gas and increase economic activeness.

Having admitted that the quality of bread has lately worsened, Mr. Bagratyan said that it was caused by the fact that new economic conditions are not in the interests of "bread mafia" which profits on state-supplied grain. He reported that the Government aspires to attain situation when bread-producers will buy their grain themselves either on domestic or international markets. Then the grain market will be as satiated as the market of gasoline or butter, while the state will secure the market of sudden changes.

**Composition of New Parliament Detailed**

*NC1508151295 Yerevan NOYAN TAPAN in English 0915 GMT 14 Aug 95*

[FBIS Transcribed Text] 14/08/95 NOYAN TAPAN — It should be reminded that in accordance with the law, the new Parliament of Armenia consists of 190 deputies (150 of whom are elected by majority rule, and 40 by party rolls or ratio system). The elections distributed the 40 places of ratio system as follows: pro-government "Hanrapetutyun" ("The Republic") bloc — 20 mandates; public-political organization "Shamiram" — 8 mandates; the Communist Party of Armenia (CPA) — 6 mandates; National-Democratic Union (NDU) — 3 mandates, and Union of National Self-Determination (UNSD) — 3 mandates.

The rest of the mandates in 148 majority districts were distributed among the "Hanrapetutyun" bloc (98 mandates), NDU (2 mandates), CPA (1 mandate), Ramkavar-Azatakan Party of Armenia (1 mandate), Scientific-Industrial and Civil Union (1 mandate), ARF [Armenian Revolutionary Federation] "Dashnaktsutyun" (1 mandate), really independent deputies (4 mandates), and formally independent deputies controlled by the government (40 mandates).

Thus, as of August 15 the Parliamentary faction of the "Hanrapetutyun" bloc (altogether 118 deputies) besides 97 members of the Armenian All-National Movement includes the following parties:

Christian-Democratic Union (CDU) — 4 mandates; Republican Party — 4 mandates, Liberal-Democratic Party (Ramkavar-Azatakan) party of Armenian (non-canonic) — 5 mandates, Social-Democratic Party "Hnchak" — 4 mandates, and public-political organization "Intellectual Armenia" — 4 mandates. Besides, the ruling powers are in reality also represented by 40 "independent" deputies and 8 deputies from public-political organization "Shamiram".

The opposition is represented by CPA — 7 places, NDU — 5 places, UNSD — 3, canonic Ramkavar-Azatakan party of Armenia — 1, ARF "Dashnaktsutyun" — 1, and Scientific-Industrial and Civil Union is represented by one formally independent deputy. Altogether 18 members of the Parliament represent the opposition.

Really independent deputies — 4 votes

Vacancies: 2 places

The situation will be absolutely clear in September when the complement of each faction will be officially announced.

Meanwhile, the leadership of the country controls in the Parliament 166 votes out of 190 possible or 87.4 percent of all votes.

## Azerbaijan

**Foreign Minister Urges Cooperation With Iran**

*NC1508184995 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 15 Aug 95*

[FBIS Translated Text] Azerbaijani Foreign Minister Gasan Gasanov received today the Iranian charge d'affaires ad interim in Baku, Afshar Suleymani. The prospects for developing Azerbaijani-Iranian ties were discussed and views were exchanged on bilateral cooperation in various fields. Referring to some articles appearing in the Iranian press of late, Gasan Gasanov said that no one can disrupt the ties of friendship and cooperation between the two countries, and such attempts should be prevented.

**Russian Press Criticized Over Views of U.S. Visit**

*NC1508203695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 15 Aug 95*

[FBIS Translated Excerpt] State adviser on foreign policy Vafa Guluzade held a news conference today. Shefayet Abdullayeva reports:

[Begin recording] [Abdullayeva] State adviser on foreign policy affairs Vafa Guluzade explained the reasons for holding the press briefing. He noted that the Azerbaijani state's position on the international level and its foreign policy achievements would certainly not please those forces who are always attempting to obstruct our progress. Therefore, these forces give a totally different coloring to the visit of Vafa Guluzade and his delegation to Washington and their meetings with American politicians, and they distort the views expressed there. The state adviser described as totally unfounded and malevolent these opponents' gloomy articles in MOSKOVSKAYA PRAVDA and KOMSOMOSLKAYA PRAVDA under the headlines "Does

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Russia See Azerbaijan as Its Colony?" and "Is Russia Azerbaijan's Enemy?" They alleged that in Washington state adviser Vafa Guluzade made statements hostile to Russia and called Russia the main obstacle in the way of Azerbaijani independence. [passage omitted]

[Abdullayeva] The state adviser indicated that such calumnies by a group of persons, including the representatives of the Armenian diaspora, who are reporting on the Azerbaijani representatives' views expressed in the United States in a manner that serves the interest of certain forces, are nothing but propaganda to counter the Azerbaijani president's foreign policy and to muddy the waters. It is also a fact that the Azerbaijani leadership always gives priority to friendship and mutual cooperation in its ties with Russia and Iran and strives to solve any problems, including the Karabakh conflict, solely through peaceful talks. [end recording]

**Commander Insists No Arms Supply to Chechnya**

*LD1508120195 Moscow INTERFAX in English 0916 GMT 15 Aug 95*

[FBIS Transcribed Text] BAKU, Aug 14 (INTERFAX) — The commander of the Azerbaijani border guard troops General Abbas-Ali Novruzov rules out any arms supplies from Azerbaijan to Chechnya.

"A leakage of armaments from a country that itself needs them is impossible in principle", he said in an interview on Monday [14 August]. General Novruzov said that the use of Azerbaijani territory against Russia by any force was impossible. "This is my country's official policy", he said.

General Novruzov said that neither the border guards, nor the Ministry of National Security, nor Azerbaijani border guard troops had any confirmation that arms supplies were being moved from Azerbaijan to Chechnya. General Novruzov said the commander of the North Caucasus military district had no evidence of that, either.

General Novruzov suspects that press reports of arms shipments from Azerbaijan to Chechnya were aimed to back up the measures to tighten security on the border taken by the Russian border guards command lately. General Novruzov said that the entire Azerbaijani-Russian border was tightly controlled by Russian troops and the talk about arms convoys crossing into Chechnya was groundless.

**Guluzade Denies Tripartite Talks on Karabakh**

*NC1508191795 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 15 Aug 95*

[FBI Translated Text] In an interview with the KHABAR SERVICE news agency, state adviser on foreign affairs Vafa Guluzade resolutely refuted Russian press commentaries on separate talks between Azerbaijan, Armenia, and Turkey for the solution of the Nagorno-Karabakh conflict. He said that Azerbaijan's positions within OSCE Minsk Group on the solution of the conflict is well known.

The state adviser noted that he is aware of Armenia's attempts to establish ties with Turkey and does not rule out Armenia holding such talks for this purpose. In Vafa Guluzade's opinion, the Turkish Republic will never trade away Azerbaijan's interests because the interests of the Azerbaijan and Turkey are closely linked and are (?expanding).

**Regional Leaders Replaced for Dereliction of Duty**

*NC1508184895 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 15 Aug 95*

[FBIS Translated Text] By decrees signed by the Azerbaijani president Gasayi Mehiyeddinoglu Ahmedov has been appointed head of the executive administration of Balagan Region, where Gani Bahramoglu Ahmedov has been relieved from this post for serious dereliction of duty; Aliverdi Mehmedkerimoglu Alishov has been appointed head of the executive administration of Sabirabad Region, where Vagif Ajalioglu Shighaliyev has been relieved from this post for serious dereliction of duties; and Ikram Mehemmedalioglu Memmedov has been appointed head of the executive administration of Shamaghi Region, where Khudaverdi Dashiroglu Lazimov has been relieved from this post for serious dereliction of duty.

**Assembly Hears Report on Party Registration**

*NC1508191695 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 15 Aug 95*

[FBIS Translated Text] The National Assembly heard a report today from the justice minister on compliance with the law on the political parties during the registration of political parties. Menzere Sadikova reports:

[Sadikov] Some problems have emerged during the Justice Ministry's investigation into compliance with the law on political parties during the registration of the political parties. The investigation was conducted in keeping with the National Assembly's decision of 13 June 1995. Naturally this has created a certain uneasiness and discontent among some of the parties

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that failed to get registered or whose registration was delayed on the eve of our parliamentary elections.

In order to investigate the facts and resolve the disputes, a Justice Ministry report was heard today at the National Assembly regarding compliance with the law on political parties during the registration of the political parties in Azerbaijan.

Acting Justice Minister Sudaba Gasanova delivered a report. She informed the Assembly that the activities of the Boz Gurd [Grey Wolf] and Azerbaycan Galklarinin Beraberligi [Equality of the Azerbaijani Peoples] political parties have been banned because their activities were incompatible with Azerbaijani statehood and aimed to overthrow the constitutional order in our country. She added that 43 political parties had already been registered before the adoption of the aforementioned decision by the National Assembly. Following an investigation, the Justice Ministry found serious violations of the law during the registration of a number of parties. As a result, the registration of nearly 15 parties was canceled by decision of the ministry's collegium, while nine parties were called upon to reregister after putting their documents in order.

After delivering her report, Acting Justice Minister Sudaba Gasanova replied to deputies' questions.

The National Assembly continued its debate on the political parties in its evening session. Deputies and the representatives of the powerful ministries and law enforcement organs expressed their views on the registration of the political parties in regard to the law. They noted the lawless activities of the political parties who were denied accreditation. Conflicting views were expressed about the Azerbaijan People's Front Party. A number of opposition deputies defended the positions of the Azerbaijan People's Front's.

In summing up the session, Chairman of the Supreme Soviet Rasul Guliyev stated that a state based on the rule of law is being built in Azerbaijan and there can be no retreat from legality. Therefore, all problems, including the registration of the political parties, should be solved only within the law.

The National Assembly then instructed the Supreme Court and Justice Ministry to look into the complaints and organizational matters relating to the registration of the political parties.

## Georgia

### Russia Said To Want Stability in Transcaucasus

*LD1508185895 Tbilisi IPRINDA in Russian 1458 GMT 15 Aug 95*

[FBIS Translated Text] Tbilisi, 15 Aug — A session of the Council of Ministers of the Autonomous Republic of Abkhazia was held today in Tbilisi. The session summed up the first half of the year and discussed the recent visit to Moscow by the Abkhaz Council of Ministers.

An agency correspondent reports that Zurab Erkvania, chairman of the Abkhaz Council of Ministers, said Russia wished to stabilize the situation in the Transcaucasus, as the activation of Islamic forces and the U.S. presence in the region was unsuitable for Russia.

He also noted that Russia was not delighted with the principle of an American-type new draft constitution of Georgia. He also told those present at the session that a meeting of the leaders of Georgia, Abkhazia, and Russia had been planned for 20 September in Sochi. However, according to the recent information, Erkvania noted, the Russian president had postponed the meeting for the beginning of 1996.

He also told the session that by decree of the Georgian head of state, permanent working groups for political and juridical issues, as well as a working group for cooperating with the mass media sources, would by turns start functioning in Moscow.

### Moscow To Finance Power Transmitter Restoration

*LD1508173795 Tbilisi IPRINDA in Russian 1255 GMT 15 Aug 95*

[FBIS Translated Text] Tbilisi, 15 Aug — An agency correspondent reports that following the completion of talks in Moscow between Gruzenergo [Georgian power] and Rossenergo [Russian power], a decision has been adopted on commencing the restoration work on a high voltage [power transmitter] line in Kavkasioni, which lies through the Great Caucasus mountain range and connects the power systems of Georgia and Russia.

Practically all restoration work will be fully financed by the Russian side. Georgian Prime Minister Otar Patsatsia will supervise the development of the restoration work.

The headquarters of the power specialists working on Kavkasioni has already been set up in Zugdidi. One group of Russian specialists has already arrived at the settlement of Jvari.

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**Constitution Chapter on Parliament Not Adopted**

*LD1508130895 Moscow INTERFAX in English 0916 GMT 15 Aug 95*

[FBIS Transcribed Text] TBILISI, Aug 15 (INTERFAX) — The Georgian law-makers failed to adopt the new constitution's chapter on parliament on Monday [14 August], although the fundamental differences had been ironed out. There was no quorum.

The voting is expected to take place on Wednesday, at the last session devoted to the discussion of the draft constitution.

Under the draft constitution elections scheduled for the autumn would produce a single-house parliament.

The question of whether Georgia should have a two-house national legislature, something the current authorities insist on, will be submitted to the new parliament.

Meanwhile, parliamentary opposition members on Monday called for adopting constitutional laws. They argue that the current parliament will be unable to produce a full-fledged Constitution.

Another group of deputies suggested postponing the elections, set for November 5, until next spring. They say that the deadlines for starting the election campaign have been abused already.

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